

# From Red to Black

## Dealing with Debt and Credit Cards in the Game of Life

### What is Debt?

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### Controlling your debt

People are loaded with \_\_\_\_\_ debt

Some debt is good

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Some debt is bad

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Write down everything you \_\_\_\_\_

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Pay off your highest-rate debts first

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Don't fall into the minimum trap

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Watch where you borrow

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Expect the unexpected

Build a cash cushion worth \_\_\_\_\_  
of living expenses in case of an emergency.

Don't be so quick to pay down your mortgage.

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Mortgages tend to have lower interest rates than other debts.

Get help as soon as you need it

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## **Credit Cards**

Used wisely, a credit card can be a very convenient way to shop.

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But buyers beware. Those little plastic cards can get you into trouble. It's easy to overspend. \_\_\_\_\_ The debt can creep up on you slowly.

So before you put another piece of plastic in your wallet, make sure you know what you're really signing up for -

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Here are some of the top things you need to know about your card:

- **Annual fee**

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- **Balance due**

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- **Credit limit**

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- **Finance charges**

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- **Grace period**

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- **Annual percentage rate (APR)**

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- **Introductory rate**

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## Choosing a Credit Card

Learn about your options

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Ask yourself: how will I use this card? For example,

\_\_\_\_\_, you  
will not benefit as much from a lower interest rate.

\_\_\_\_\_, then the opposite is true.

How long is the grace period?

The grace period is the time you have to pay off \_\_\_\_\_

\_\_\_\_\_.

What's the annual percentage rate (APR)?

This is the interest rate you will pay on any unpaid balance after the grace  
period. \_\_\_\_\_.

What are the fees?

You should know the amount of any fees for your card and when they  
apply. \_\_\_\_\_

\_\_\_\_\_.

Compare any extra features the card offers.

\_\_\_\_\_. Many cards  
also offer extras like insurance.