

Myth-busting



Money



20 mins



Challenge yourself



Aim of activity

Credit or debit? That is the question! Test your knowledge and see if you can distinguish the money myths from the true facts.

What you'll get out of it

- Understand the difference between credit and debit.
- Practise quick decision-making.
- Reveal credit and debit facts and myths.

What you'll need

- 10 balloons (plus spares)
- Funnel (or paper folded into a funnel)
- A marker pen
- Glitter (or alternative for example, flour or water)
- A pin

Note to leader

If anyone has a latex allergy, you can use paper bags blown up instead.



WE DISCOVER, WE GROW

Girlguiding



Before you start

Split the balloons into two equal piles. Label the first pile with a 'T' and then number them 1–5. Mark the other pile with an 'M' and number them 1–5. Pair up the balloons from the two piles, so the corresponding numbers are together, for example, T1 and M1. Pairs of balloons represent the possible answers ('truth' or 'myth') to each statement. Funnel the glitter into the balloon that represents the wrong answer for each statement. For example, if statement 1 is true, fill the 'M' balloon, but if it's a myth, fill the 'T' balloon. Use the answers below to guide you. Blow up and tie off the balloons, and keep them hidden.

What to do

- 1 Does anyone know the main difference between a credit and debit card? Call out your ideas.

Debit – money is automatically taken from your current account when you spend it, so you must have enough money in your account or an agreed overdraft to cover the transaction.

Credit – you can buy things immediately, up to a pre-arranged limit, and pay for them at a later date.

- 2 Your leader will call out the provided statements to everyone. After each one, discuss as a unit whether the statement is a truth or a myth, and reveal your answer.

- 3 Your leader will find the balloon that corresponds to the question and your group's answer. For example, T1 if you said statement one is true.

- 4 All huddle together as one big group. Your leader will pop the balloon over the group's heads. Wrong answer? The balloon will explode with glitter!

- 5 Your leader will read out the full answer. Did the truth surprise you?

Statements

1. You pay interest (money a bank charges to loan you money) immediately after making a purchase on your credit card.
2. A credit score is used to help determine whether you qualify for a particular credit card, loan or mortgage. Owing money on your credit card helps improve your score.
3. A credit card isn't linked to your current account. You can buy things immediately, and pay later.
4. The number of credit cards you own harms your credit score.
5. You need a credit card to complete certain transactions, such as purchasing items online.
6. The money from a debit card is automatically taken from your current account when you spend it.

- Answers**
1. **Myth** – Interest starts to accrue the day after your payment is due.
 2. **Myth** – Keeping cash owing on your credit card account does not help your credit score. Not paying the full amount just means you're spending more on interest. Keeping your account active does help your score... but make sure you're not paying interest unnecessarily!
 3. **Truth** – What you spend on your credit card is added to your account and you get a monthly statement. If you pay it off in full, you won't have to pay any interest.
 4. **Myth** – If you're responsible with your repayments, owning multiple credit cards can be a good financial move.
 5. **Myth** – Debit cards offer the same convenience without making you borrow money.
 6. **Truth** – Keep an eye on your account to make sure you do not accidentally go overdrawn (run out of money).