

AMBASSADOR: GOOD CREDIT

Hey Girl Scout! Whether it's something as basic as using a credit card or a more complex situation like a home mortgage or a small business loan, our economic system revolves around borrowing. And to borrow successfully, you need to have good credit. By completing this badge, you will know what it takes to keep good credit and borrow money smartly, including how to pay back what you owe in time -- skills that will help you throughout life.

Step 1: Get the scoop on credit scores

1. We've all seen those commercials for retrieving your credit scores. Find out what it really means! A credit score is like your grade in school, but for your financial future. It will dictate your eligibility for loans when buying a car or house, and affect your ability to rent an apartment. Your credit score can also affect your interest rate. Do some research about credit scores online. Find out the following:
 - a. What can positively affect a credit score
 - b. What can negatively affect a credit score
 - c. What are considered good and bad credit scores
 - d. When is it important to have a good credit score

Supplies:

1. Access to the internet

Step 2: Find out how bank loans work

1. Bank loans are a key part of the money borrowing process. If you know someone who works at a bank or who is a financial advisor, ask them to explain how bank loans work. If you do not know anyone like that, do some research online. Go to 2 different bank websites and explore their loans pages.

Supplies:

1. Access to the internet

Step 3: Learn the ins and outs of credit cards

1. Collect three or more different credit card applications (i.e. Visa, Discover, MasterCard, American Express, etc.). Now compare notes! First, make sure you understand credit card terms. Go online to define the following: interest, fixed interest rates, variable interest rate, APR, credit limit, grace period, minimum payment and annual fee.

Supplies:

1. Access to the internet

Step 4: Gather real-life borrowing stories

1. Now that you've done plenty of research, talk to someone in your home who is comfortable talking about their credit history. Ask them to share with you their experiences, advice and tips about borrowing. Is there anything they would do differently?

Supplies: NONE

Step 5: Write your own credit commitment

1. You've done research and spoken to adults about their personal experiences. Based on this, make your own credit commitment. This commitment should include a few personal guidelines for yourself on how you want to borrow and save for the future.

Supplies: NONE