



Money Management • Ambassador Badge Blueprint



Good Credit Badge

Purpose: This badge teaches Ambassadors about the value of borrowing money and the importance of good credit.

Step 1: Get the scoop on credit scores.

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. Brainstorm a few questions you have about credit scores, and take a short trip to your local bank or credit union. Chat with a specialist about credit, loans and mortgages.

Step 2: Find out how bank loans work.

While you're out at the bank or credit union, stop by a local car dealership and ask to speak to their financial advisor. Bet you didn't know car dealerships have employees who work exclusively with car loans! Ask them the same questions about car loans, credit scores and interest rates. Compare their information with the information you received at the bank or credit union.

Step 3: Learn the ins and outs of credit cards.

Collect three or more different credit card applications (i.e. Visa, Discover, MasterCard, American Express, etc.). Now let's 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.

Bank or Store offering card	Our Town Bank				
Initial APR interest rate	18%				
APR after making purchase	25%				
Annual fee (Yes or No)	Yes				
Rewards	Yes				
Late payment fee	\$25				
Credit limit	\$1,000				
Min. finance charge	\$1.50				
Cash advance fee	\$10				
Grace period	25 days				
Special offers	No				

Remember, girls gain confidence and leadership skills through girl-led activities. Whenever possible, let the girls take charge when completing activities. Adult help is necessary for guidance, support and safety.

Step 4: Gather real-life borrowing stories.

Now that you've done plenty of research, talk to an adult 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?

Step 5: Write your own credit commitment.

You've done research and spoken to adults about their personal experiences. Based on this, make your own credit commitment. If you want to compare notes with other girls in your troop, go ahead—everyone can make their individual commitment together. This commitment should include a few personal guidelines for yourself on how you want to borrow and save for the future.

Congratulations! You have now earned the Good Credit Badges!

Remember, girls gain confidence and leadership skills through girl-led activities. Whenever possible, let the girls take charge when completing activities. Adult help is necessary for guidance, support and safety.