

Our mission is to provide children with the necessary financial literacy skills to navigate the complexities of the modern economy. Through engaging and interactive educational programs, we aim to empower children to make informed decisions about their finances and develop healthy financial habits that will serve them throughout their lives. We believe that every child deserves the opportunity to build a solid foundation of financial knowledge and skills, and we are committed to providing accessible and effective resources that will help them achieve their goals.

April 2023 Newsletter

Topic: Understanding Credit: A Guide for Kids

Credit can be a tricky concept to grasp, but it's an important part of managing your money. In this guide, we'll explain what credit is, how it works, and how you can use it responsibly.

What is Credit?

Credit is money that you borrow from a lender with the promise to pay it back. When you use a credit card, for example, you're borrowing money from a credit card company. You can use that money to buy things, but you'll have to pay it back with interest.

How Does Credit Work?

When you use credit, you're given a credit limit, which is the maximum amount of money you can borrow. You'll need to make regular payments to pay back the money you've borrowed, plus any interest or fees. If you make your payments on time and in full, you'll build good credit. If you miss payments or don't pay back what you've borrowed, you'll damage your credit score.

Credit vs. Debit

It's important to understand the difference between credit and debit accounts. With a debit card, you're spending money that you already have in your checking account. You can only spend what you have, so you can't overspend and get into debt. With a credit card, you're borrowing money that you'll need to pay back later. This can be a helpful way to build credit, but it's important to use credit responsibly and pay off your balance in full each month.

## Tips for Using Credit Responsibly

Only use credit for purchases that you can afford to pay off in full each month. Keep track of your spending and your credit limit to avoid overspending. Pay your bills on time and in full each month to avoid interest charges and late fees. Don't open too many credit card accounts at once, as this can lower your credit score. Monitor your credit report regularly to make sure there are no errors or fraudulent activity.

In conclusion, credit can be a helpful tool for managing your money, but it's important to use it responsibly. By understanding how credit works and following these tips, you can avoid making poor credit decisions and build a strong financial foundation for your future.