

# THE GOOD, THE BAD, AND THE UGLY

Advantages and disadvantages of  
different methods of payment...

EduCation  
credit union

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# Methods of Payment

**Check**



**Cash**



**Electronic  
Payment**



**Credit Card**



**Debit Card**



# Credit Card

<b>Advantages</b>	<b>Disadvantages</b>
Can use this if you don't have the money right now	There is a limited amount that can be charged to the card.
Easy to carry around	Interest rates can be high.
Can use for online or in-person purchases	Fees can be expensive: annual fees, cash advance fees, late payment fees.
Accepted almost everywhere	It's easy to overspend.
You can earn points or rewards on some cards.	Risk of fraud

# Debit Card

<b>Advantages</b>	<b>Disadvantages</b>
Good for daily use to help you stay within your budget	Money is immediately taken out of your account.
Easy to carry around	If you don't have money in your account, your purchase may be declined.
Can use online or in person	May have to pay ATM fees
Accepted almost everywhere	If you have an emergency and need money, you must have the money in your account to use your debit card.
Uses a PIN to protect transactions	Risk of fraud if used online

# Cash

<b>Advantages</b>	<b>Disadvantages</b>
Good for daily use to help you stay within your budget	Can't use it for online purchases.
No risk of fraud	If you lose it, it is gone for good.
Accepted everywhere in person	If you have an emergency, you may not have enough cash.
There are NO fees.	You can only spend what you have.
Can only spend what you have... keeps you from overspending or creating debt	Have to pay in person



# Check

<b>Advantages</b>	<b>Disadvantages</b>
Easy to keep account of in check register	Can't use it for online purchases
Safe to mail	Have to order checks
Each check is associated with a specific financial institution and account.	Must mail ahead of time to meet due date if used for bills.
Little risk of fraud	Some businesses don't accept personal checks.
If a check is lost or stolen, you can request a stop payment and your money is safe.	There may be financial institution fees.

# Electronic Payments

<b>Advantages</b>	<b>Disadvantages</b>
Can make purchases using cards, mobile phones or the internet.	There may be fees.
Saves time and it's easy	Technical problems with website
Automatic payment	Chance of information being hacked
Many websites offer an electronic payment option.	Payment may be declined.



# Check for Learning...

## Directions:

1. Each student will need an answer grid. (This can also be done with small groups using one answer grid.)
2. Students will record the letter of their answer for each question in the correct square on their answer grid. The teacher can quickly check answers.



# Question #1

Jeb found a book on Amazon he likes, but he can't use \_\_\_\_\_ to pay for it. He may have to ask his dad to buy it for him.

- A. Credit card
- B. Debit card
- C. Electronic payment
- D. Cash

# Question #2

A check can be used to pay for something at a store.

- A. Yes
- B. No



# Question #3

Joey's mom uses this at the ATM to get cash before he and his friends go to the movies.

- A. Credit card
- B. Debit card
- C. Electronic payment
- D. Check

# Question #4

**Evelyn's mom uses this method of payment to make a car payment. She can even do it using her phone!**

- A. Credit card**
- B. Check**
- C. Electronic payment**
- D. Cash**



# Question #5

Janice mows her neighbor's lawn. Since she doesn't have an account, they pay her using \_\_\_\_\_.

- A. Credit card
- B. Debit card
- C. Electronic payment
- D. Cash

# Question #6

This payment method is like a loan, and if you don't pay it off each month, you'll have to pay interest on the amount.

- A. Credit card
- B. Debit card
- C. Electronic payment
- D. Check



# Question #7

What 2 items below are **DISADVANTAGES** of using a credit card?

- A. If you lose it, it can't be replaced
- B. There can be a risk of fraud
- C. Money is immediately taken out of your account
- D. It's easy to overspend

# Question #8

When a payment is made with \_\_\_\_\_ the money comes from the cardholder's account.

- A. A credit card
- B. A debit card
- C. An Electronic payment
- D. Cash



# Question #9

Which method of payment allows you to make purchases using cards, mobile phones or the internet?

- A. Credit card
- B. Check
- C. Electronic payment
- D. Cash

# Question #10

If you lose this, it **CAN'T** be replaced!

- A. Credit card
- B. Debit card
- C. Check
- D. Cash



# Question #11

What 2 items below are advantages of using a debit card?

- A. Can help you stay within your budget
- B. Can be used anywhere
- C. Can use even if you don't have money in your account
- D. You can earn points or rewards

# Question #12

A \_\_\_\_\_ is a written form of payment associated with a financial institution and an account.

- A. Credit card
- B. Check
- C. Electronic payment
- D. Cash