

Paying Smart

Compare payment options before you buy.

SS.8.FL.2.4 "Examine choosing a payment method, by weighing the costs and benefits of the different payment options."

NAME _____

DATE _____

1 READ AND MARK _____ Read it twice

YOUR JOB Circle each benefit and underline each cost of a payment method so you can compare the options before choosing.

Jordan Chooses a Way to Pay

- ① Jordan is buying a \$32 pair of headphones for a weekend trip. The store accepts cash, a debit card, a credit card, and a mobile wallet linked to a bank account. Cash keeps Jordan from spending more than the bills in hand, and it has no interest charge. However, cash can be lost or stolen, and it does not provide an electronic record. Jordan must also carry enough cash before leaving home to pay for the item.
- ② A debit card or linked mobile wallet can be convenient because Jordan can pay without carrying cash, and the bank account record can help track spending. These methods may make it easier to compare purchases later. Their cost is that money usually leaves the bank account quickly. If Jordan does not check the balance, a purchase could overdraw the account. An overdraft fee may result, depending on the bank and account rules before the payment is made.
- ③ A credit card lets Jordan borrow from the card issuer and pay later. It can be useful for emergencies or for purchases that need extra fraud protections. Many cards also offer rewards, but rewards do not erase other costs. If Jordan carries a balance past the due date, interest can be charged. Late payments may bring fees and can harm a credit history. Jordan should choose the method that fits the situation and budget, not simply the fastest option.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 What is one benefit and one cost of paying with cash?

2 How can a debit card or linked mobile wallet help Jordan track spending? What risk can happen if Jordan does not check the account balance?

3 When can a credit card charge Jordan interest?

4 Jordan has enough money in the bank but wants an electronic record of the purchase. Which payment option or options fit that need? Explain.

3 YOUR TURN _____ Your own words

Imagine you are buying a \$45 school backpack. Write four or five sentences that compare two payment methods, including one benefit and one cost of each method. Then state which method you would choose and why.

PART 1 • READ AND MARK

Circle each benefit and underline each cost of a payment method so you can compare the options before choosing. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	What is one benefit and one cost of paying with cash?	Benefit: Cash has no interest charge and can limit spending to the bills on hand. Cost: It can be lost or stolen, and it has no electronic record.
2	How can a debit card or linked mobile wallet help Jordan track spending? What risk can happen if Jordan does not check the account balance?	The bank account record can help Jordan track and compare purchases. Jordan could overdraw the account and may be charged an overdraft fee.
3	When can a credit card charge Jordan interest?	Interest can be charged if Jordan carries a balance past the due date.
4	Jordan has enough money in the bank but wants an electronic record of the purchase. Which payment option or options fit that need? Explain.	A debit card or a linked mobile wallet fits because the bank account record can track the purchase.

PART 3 • YOUR TURN (SAMPLE ANSWER)

I would compare cash and a debit card when buying a \$45 backpack. Cash would prevent me from spending more than the money I brought, but it could be lost. A debit card would create a bank record, but I could overdraw my account if I failed to check my balance. I would use cash because I already have \$45 set aside.

Accept equivalent benefits and costs stated in the passage. For the open response, accept any reasonable choice if the student accurately compares two methods and supports a clear decision.