

Cornell Notes

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Date 2/21/12

Topic Unit 2: America's Market Econ.

Class/Subject Econ. P.2

Agenda

To watch:
The Card Game

Notes:

Providian
Financial

- ① Credit & Banking
 - ② Watch: The Card Game
→ Cornell Notes.
- PBS → Frontline
Scroll down to find "The Card Game"
- 100,000 transactions a minute!
 - The unbanked market
 - For lower class, poor individuals
 - If you pay only the minimum balance on your credit card, you can take about 20-30 yrs to pay it off.
 - The bad practices spread to the credit card industry
 - credit cards charge an annual fee.
 - Industries were deleting the annual fees to get more customers.
 - This caused the increase of other fees. (penalty fees)
Lex. late payment, overdraft etc
 - The credit card disclosure is so hard to understand that it may take a person w/ a degree to understand it.

Credit card companies trick consumers into getting credit cards by offering "great" deals such as 0% rate and other things. However,

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Home
Mortgage

Debit vs.
Credit

Groups of
4.

Consumers were refinancing and using that money to pay off credit cards.

- A credit card company can change their interest rates whenever they want to
- They can also lower the credit card limit

Debit: connected to checking account (money you have)
Credit: money you don't have.

Create questions about banking and/or credit.

it is very difficult to understand ~~that~~ the disclosure of credit cards, so many people have no idea what they are getting into