

BETTER MONEY HABITS

# Economic Mobility Next Steps

# Building Healthy Credit



# What you'll learn

1

Building a good credit score

2

Reading a credit report

3

Using a credit card responsibly

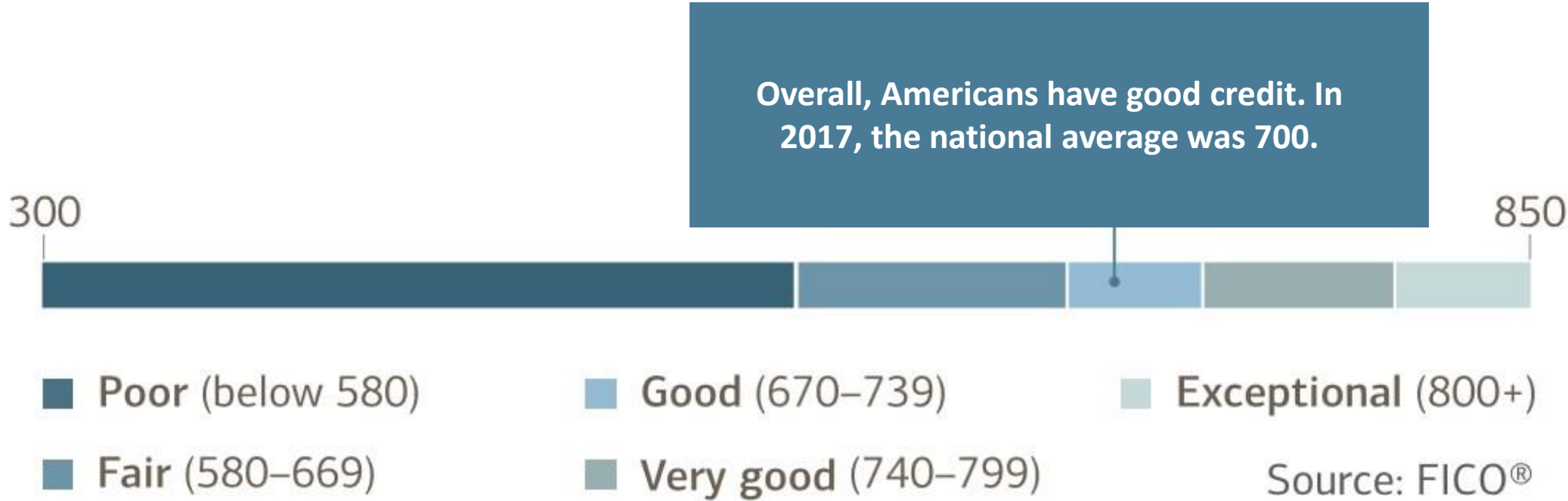


# The importance of credit scores

- Apply for a loan
- Rent or buy a home
- Apply for a credit card
- Finance a car or other purchase



# What a credit score means



# What makes up a credit score



\*Average U.S. FICO® Score as of April 2018



# How to build credit

- Pay all bills on time
- Check your credit report
- Use credit responsibly



# Reading a credit report

1

Personal information

2

Credit history

3

Public records

4

Credit inquiries





# Key credit terms

- Credit utilization
- Hard inquiry
- Soft inquiry



# Do's and don'ts of credit cards

## DO

- Keep your balances manageable
- Pay off as much as you can
- Regularly check all accounts you have open

VS.

## DON'T

- Miss a credit payment
- Exceed the limit on your credit card
- Apply for a lot of credit cards in a short period of time



# How credit card interest adds up



# Key takeaways

1

Know what a credit score is.

2

Understand how to build credit.

3

Check your credit report every year.

4

Use credit responsibly.



