



COMPARING PAYMENTS

Cash—Bills and coins created by the government.

Advantages may include: Easy to use; accepted nearly everywhere; fits nicely in a pocket; you can only spend what you have.

Disadvantages may include: Cannot be replaced if lost or stolen; spending not easily tracked.

Checks—A written order to a bank to pay money from a bank account to a person or business.

Advantages may include: easy to track spending, can safely be mailed.

Disadvantages include: slow to write; a lot to carry (a pen and register); money not always taken out of bank right away; not accepted everywhere.

Debit card—A plastic card that provides electronic access to a personal bank account. It and the similar ATM card can be used to complete bank transactions much like a check.

Advantages may include: quick and easy to use; funds are immediately deducted; money comes straight from your account; there is no bill in the future; you don't have to carry cash; it's relatively safe because only you know your PIN or Personal Identification Number.

Disadvantages include: harder to keep track of spending; easy to lose; possibility of identity theft; must remember the PIN number.

Credit card—A card that allows the holder to buy goods and services by taking out a bank loan for the purchases.

Advantages may include: items can be purchased without having the money to pay for them; handy for emergency purchases; convenient.

Disadvantages may include: possible yearly fee; interest charged on unpaid balances; can lead to financial difficulties if misused.



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Gift card—A card that is purchased in a specific monetary value and used like cash to purchase goods and services.

Advantages may include: like cash, you can only spend what you have.

Disadvantages may include: must be loaded with funds from bank (extra step); if lost or stolen, cannot be replaced; store-specific cards can only be used in one place.

Prepaid card—A card that allows you to spend only the amount you have pre-deposited into that account.

Advantages may include: like cash, you can only spend what you have; can be used to pay bills online or by phone; can be attached to a specific bank account and loaded automatically with direct deposit; can be canceled if lost or stolen.

Disadvantages may include: extra bank fees and charges; not accepted everywhere.



COMPARISON CHART

Name _____

Think about the various types of payments you have discussed in class. Compare and contrast them by thinking about the criteria, or reason, for each payment method. Write "yes" or "no" or "usually" in each box, based on whether the payment type meets the criteria.

Alternatives	Advantages					Disadvantages		
	Easy to use	Safe to use	Accepted everywhere	Convenient	Can be replaced if lost	Fees charged for use	Interest charges on purchases	Hard to track spending
Cash								
Checks								
Debit card								
Credit card								
Gift card								
Prepaid card								

List any additional advantages or disadvantages of each payment type that you can think of.

	Advantages	Disadvantages
Cash	_____	_____
Checks	_____	_____
Debit card	_____	_____
Credit card	_____	_____
Gift card	_____	_____
Prepaid card	_____	_____