

50. Family Credit Decisions Role Playing

OBJECTIVE: Couples and families will identify with every day family credit situations through role plays.

TIME: 40 minutes, including about five minutes preparation time for both sets of volunteer actors to become acquainted with the scenarios, 10 minutes to act out and discuss each of two role plays, and 15 minutes for couples to discuss real-life scenarios and brainstorm strategies.

MATERIALS:

Chairs or other materials as needed for props.

Pens

Paper

NOTE TO TRAINER:

Two role plays are provided to encourage discussion on making decisions about using credit as a family. Role playing is a fun and interactive way to support learning and can make a real difference for participants. Some people may need a bit of help getting over their initial nervousness or shyness about being in front of the group and acting as a character. This could be mitigated by having the trainers engage in a role play first or by selecting the bolder participants to do the first role play, just to break the ice.

ACTIVITY:

Discuss with the class that making a credit decision as a family can be difficult. Introduce that you will be doing two structured role plays to help the class discuss different credit ideas. Specific themes include deciding when to take on debt and how to identify the risks and responsibilities of co-signing on credit cards or loans for another family member.

Each role play will use three volunteers: One will be the narrator, and the other two will be characters in the role play.

Ask the class for six volunteers to help act out two role play activities.

This role play activity asks the narrator to introduce the scene. The actors play their roles after they practice with some background information about their characters to help with the dialogue and to get them to take a position. Structure the role play so that the actors have time to absorb this information and practice a bit together before presenting it to the group. (TIP:

When scheduling a 15-minute break, have the narrator and two actors for each role play review the scenarios in a separate room or hallway.) At the start of this activity, ask for three volunteers for each role play scenario.

As the role play nears its finish, the trainer should be prepared to close the scene, thank and solicit applause for the actors, and then initiate discussion. Discussion questions follow each scenario to facilitate learning from the role play.

Scenario 1: My brother Jimmy needs help with a loan.**Narrator (Volunteer #1):**

Tim and Judy Brown are driving to a PTA meeting one evening when Tim, ever so carefully, brings up an important question. His younger brother, Jimmy, wants to buy a brand new sports car; he has found the perfect car but needs a co-signer in order to get the loan approved. Tim loves his brother and wants to see him get ahead, so he would like to help, but he knows this affects Judy's life too and so he needs her support.

Just another day of decision making for the Brown family, let's see how it goes...

ACTORS role play (Volunteers 2 and 3): At this point, Tim and Judy begin their conversation with Tim asking Judy about the loan (Idea: Have them sitting side by side in chairs to simulate the front seat of a car and have one of the two characters mimic driving.)

Group Discussion:

- If Tim and Judy co-sign, what are some of the risks that were mentioned during the role play?
- What are the benefits to Jimmy if Tim and Judy cosign? What are the benefits for Tim and Judy?
- If you were to “assess” a family member’s ability to repay a loan on which you were a cosigner, what factors would you consider? Based on those criteria, would you cosign for Jimmy?
- What might be some other ways to minimize the risk and maximize the benefits for everyone involved?
- Have you ever been in a similar situation where a friend or family member asked you to co-sign? How did it make you feel? Did you know the risks you were facing? Did you discuss it with your partner ahead of time? How did it turn out for you?

Preparatory Information for the Volunteers Playing the Characters

Key Information for the Actor Playing Tim:

- Tim really wants to help out his brother, Jimmy. He thinks he had a tough life as a kid and wants to give him a break. He knows Jimmy is motivated to do well.
- Tim thinks that Jimmy is responsible: he keeps his own apartment and has two part-time jobs.
- Tim also knows that Jimmy has just started living on his own and that debt can be hard to manage early on: Jimmy has had some bill paying challenges in the past, and he gets pretty regular calls from creditors.
- Tim does NOT know that co-signing the loan means Judy and he are equally responsible for repaying the loan or that the creditor has the right to collect from them directly, without even trying to get Jimmy to pay.
- Tim does NOT know that this loan and how Jimmy does in paying it off will be included on Judy's and his credit reports and will be included in their credit ratings whenever they apply for loans or credit cards for their own goals.
- Tim wants to help his brother and is prepared to make a strong case to Judy, but he also trusts Judy's financial knowledge, which is greater than his, and he will listen carefully to her opinion.

Key Information for the Actor Playing Judy:

- Judy loves Tim's brother, Jimmy, too and wants to help him.
- Judy also cares about Tim's feelings and doesn't want to offend him or seem like she isn't willing to support Jimmy, but she knows this is very risky for their family.
- Judy DOES know that she and Tim will be responsible for this debt and that it will affect their credit rating.
- Judy knows that Jimmy is just starting out in his jobs and adult life and that he hasn't always paid his bills on time.
- Judy knows that Jimmy's part-time jobs may not be steady.
- Judy also worries that since they wouldn't buy a sports car for themselves because it would divert too much money from their other goals of homeownership and saving for their children's education, perhaps this could negatively affect these other goals they have for their family.
- Judy thinks it is too risky for their family goals and wants to convince Tim not to do it.

Scenario 2: Leroy wants a credit card.**Narrator:**

Leroy is walking his grandmother, Maribel, to her monthly neighborhood association meeting. Along the way, he tries to convince her that he needs a credit card for his important senior year expenses—prom, new school clothes, senior pictures, and class ring, as well as application fees for college and fees for required tests. He can't get a card himself, with only his weekly lawn mowing and other odd jobs for income. He just learned that his best friend, Kevin, got a card from his mom who applied for a credit card and named him as an authorized user. Now Kevin is sporting his own credit card, with his name on it, all around school. Everyone is talking about how he buys cool stuff and takes girls to fancy restaurants on dates.

Leroy's grandmother Maribel listens to this story. She has a reputation as a good budgeter and money manager. She's been the neighborhood association's treasurer for nearly five years now and works hard to keep all of their expenses in line, just as she has done in her own household for years. Leroy does his best to present a good argument and to answer all her concerns before she discusses them.

Let's see how he does....

ACTORS role play: At this point, Leroy starts the conversation with Maribel by asking for the card.

Group Discussion:

- Based on the information presented in the skit, what are the advantages of authorized user accounts for friends or family members?
- What are the risks?
- What is your opinion: are Leroy's anticipated expenses acceptable to you as credit card debt? Why or why not?
- Do you agree with Maribel's final decision about the card? Why or why not?
- What are some ways parents could teach children and teens about credit and good money management?
- What alternatives (to using credit) might you suggest for Leroy's expenses?

Break up into couples and discuss real-life scenarios like these that you have faced. Discuss how you can work together more effectively to make the best decisions for your family

Preparatory Information for the Volunteers Playing the Characters

Key Information for the Actor Playing Leroy:

- Leroy knows that he will be most convincing to Maribel if he presents a careful argument using facts, like the fact that he makes \$75 per month and would pay off the credit card bill himself.
- Leroy has a good sense of his anticipated expenses for the card: prom tuxedo, limo, tickets, flowers, and meal; lunches at school, some school clothes; college tours, college application fees, and a suit for college interviews.
- Leroy knows that the credit card company can limit the credit amount: he will impress Maribel by suggesting a modest \$1,000 credit limit!
- Leroy does NOT know about the legal issue: his grandmother will be the only person legally responsible to pay the debt. If he doesn't pay, the creditors will pursue his grandmother for collection.
- In fact, Leroy hasn't thought at all about how unpaid debt would be collected and what the impact would be on his grandmother.
- Leroy gets good grades, is a school leader, and an athlete. He thinks he can rely on his record and responsible reputation to convince his grandmother.

Key Information for the Actor Playing Maribel:

- Maribel knows that Leroy is responsible, but she never misses an opportunity to educate him about money.
- Maribel does not want to discourage Leroy, but she is never afraid to say no.
- Maribel KNOWS that this account-ownership arrangement makes her legally responsible for the debt and that Leroy is NOT thinking about the risk of nonpayment.
- Maribel has also observed Leroy's habits with money, and she knows that he does not have a bank account and that he does not try to save. He usually spends his money on entertainment.
- Maribel knows that she could afford to cover a credit limit of about \$500 for Leroy.
- **YOUR CHOICE:** Based on what you know, you decide whether Maribel says yes or no. In the skit, when you give your final answer to Leroy, be sure to explain why you decided as you did.