**Target #5 – I can explain all functions and purposes of a Debit Card**

**Formative for Debit Card Target**

Use a misconception check by handing out or showing on the board a list of misconceptions (falsehoods) about debit cards and then ask students whether they agree or disagree and why. Some possible misconception statements about debit cards can be:

1. If I lose my debit card anyone who finds it can use it just by swiping it at a store – false b/c it is protected by your PIN (never give out your PIN to someone else), however check with a few banks because debit cards can also be used as credit cards which then could be used without a pin.
2. When I use my debit card I will receive a monthly bill charging me for all of my debit card charges – false the money gets electronically taken from your savings or checking account the moment the debit card is used and approved
3. My debit card is like electronic cash – true b/c you pay for things right there as you check out just as you would if you were paying with cash
4. If I have $40 in my bank account and use my debit card to buy $45 worth of groceries that will not be a problem – false, the transaction will be denied b/c you can’t use your debit card for more than what is in your account (unless you elect to have overdraft protection which is like an instant loan from the bank but they charge you a fee for this service)
5. It is better to use cash than a debit card – false, certainly not always, for example if you lose cash it is lost, if you lose your debit card it can be reported to the bank and replaced for free (plus it is protected by your PIN so it’s not a big deal), debit cards often earn you reward points, you can have various spending alerts built into your debit card to warn you that you are approaching or have met certain budgeted spending amounts each month, debit cards can be used to pay for things over the phone and/or Internet