



## What is interest?

Zeek wants to buy a couch, but doesn't have enough money to buy it so she buys it on CREDIT.



Zeek makes the payments and thinks she has paid the couch off...

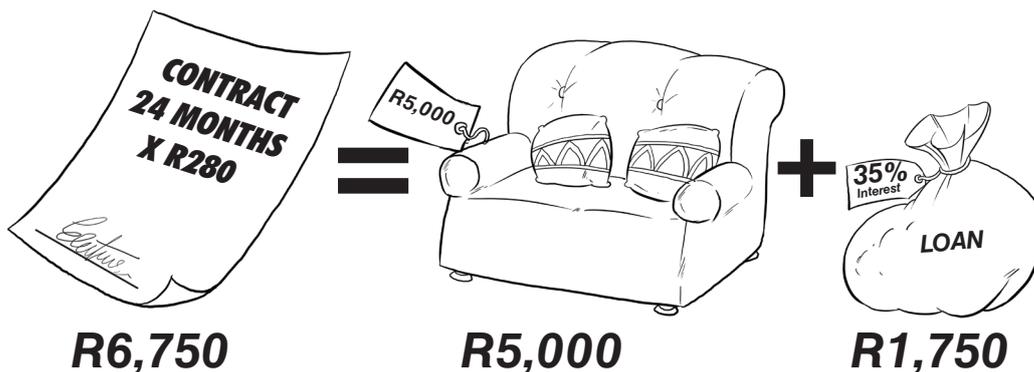
...but there's one thing she HASN'T paid off yet - the INTEREST!



## Do you pay interest on credit?

Buying something on credit means you are borrowing money to pay for something.

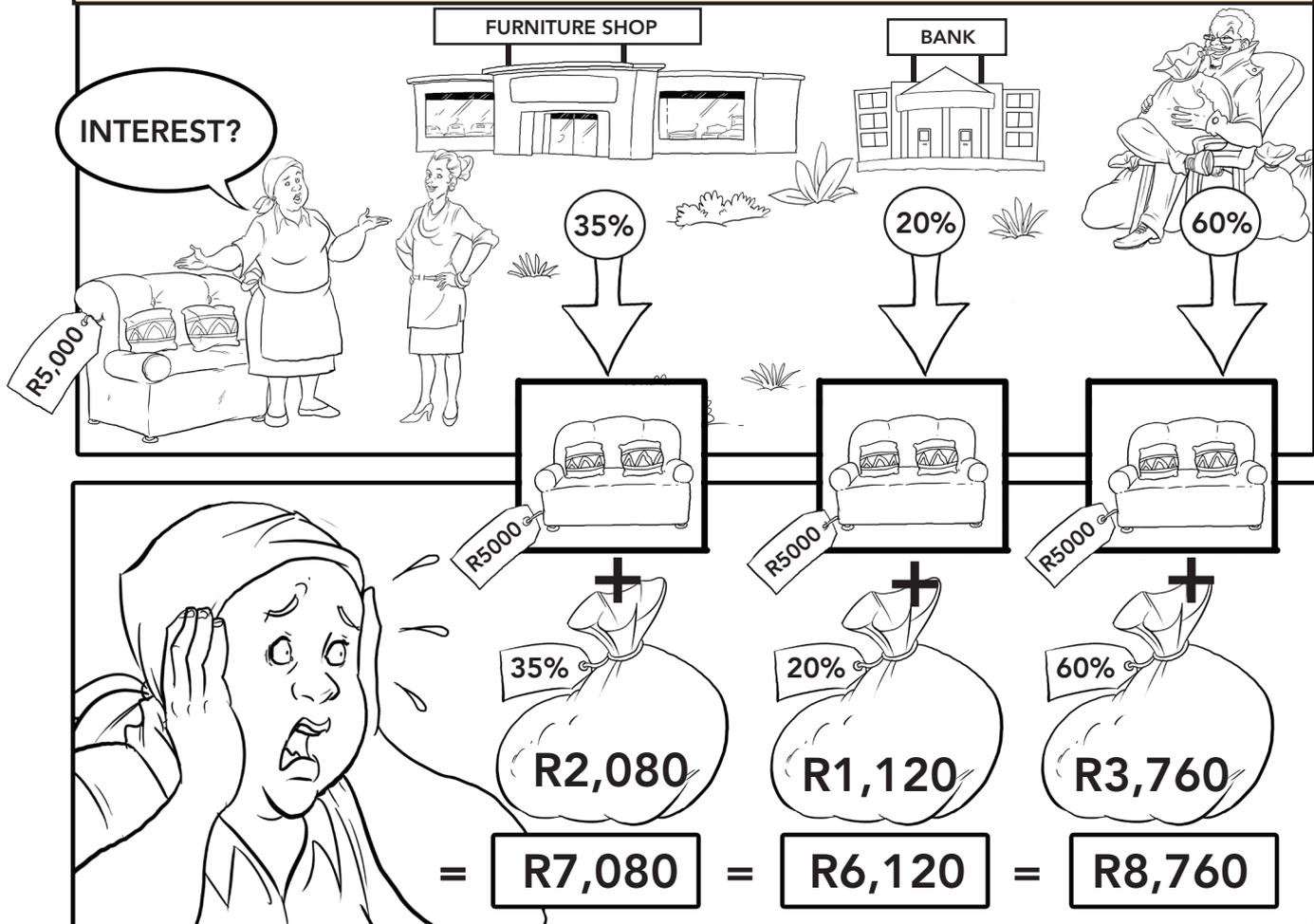
**CREDIT AGREEMENT = ITEM + LOAN + INTEREST**



When you borrow money you pay interest because the money is not yours. You must pay the lender for the right to use their money.

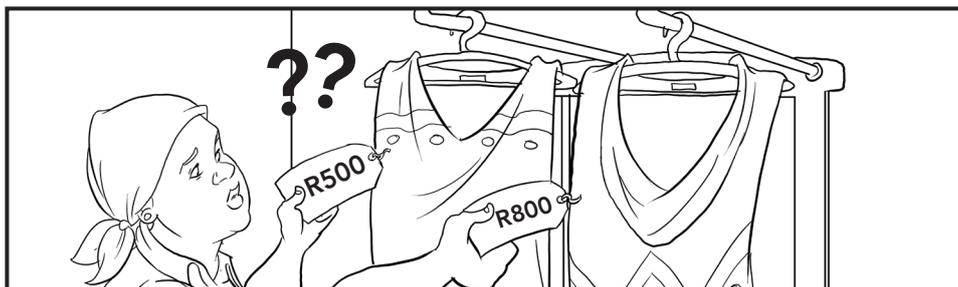
## Do stores, banks and loan sharks all charge the same for borrowing money?

All shops, banks, loan sharks, etc. will charge you **INTEREST** if you either borrow money from them or buy things on **CREDIT**.



You will pay interest on the credit or loan until the money is paid back.

## Do you compare the costs of t-shirts when you shopping?



When you shop for clothes, you always look at the price tag.

## Do you do the same with money?



You should do the same when buying on credit – always **ASK** how much **INTEREST** you'll be charged and how much any additional fees will be for example, admin fees, setup fees, etc.

Always compare prices and interest rates before buying.