

# Decoding "Buy Now, Pay Later": A Classroom Activity on Modern Debt

## Overview

This lesson introduces students to Buy Now, Pay Later (BNPL) services, exploring how they function, their benefits, and potential pitfalls. Students will analyze real-world BNPL offers, understand the implications of deferred payments, and relate these concepts to credit management strategies, such as those in the PersonalFinanceLab [Budget Game](#).

## Objectives

By the end of this lesson, students will:

- Understand the mechanics of BNPL services.
- Identify the advantages and disadvantages of using BNPL.
- Recognize the impact of BNPL on credit scores and financial health.
- Apply credit management principles to BNPL scenarios.

## Standards











- **Spending and Saving**
  - Standard 1: Develop a plan for spending and saving.
  - Standard 4: Apply consumer skills to spending and saving decisions.
- **Financial Decision Making**
  - Standard 1: Recognize the responsibilities associated with personal financial decisions.
  - Standard 4: Make criterion-based financial decisions by systematically considering alternatives and consequences.
  - Standard 8: Use a personal financial plan.

This listing is based on the Jump\$tart National Standards for Personal Finance.


























To see how this lesson aligns with other standards (including for your state), visit:

<https://www.personalfinancelab.com/standards-alignment/>

## Lesson Plan Includes

	Direct Instruction		Presentations
	Class Discussion		Technology-Based Activity
	Full Class Activities		Worksheets
	Small Group Activities		Assessments
	Individual Activities		External Resources

## Activity Summary

- Introduction
  - Time: 5 mins.  
- Class Activity
  - Time: 20 mins.   
- 'Class Discussion'
  - Time: 15 mins.     
- 'Individual Activity'
  - Time: 20 mins.     
- 'Budget Game Reflection'
  - Time: 15 mins.     
- 'Key Takeaways'
  - Time: 10 mins.     

## Introduction

Begin by asking students:

- "Have you ever seen a 'Buy Now, Pay Later' option while shopping online?"
- "What do you think it means?"

Explain:

BNPL services allow consumers to purchase items immediately and pay for them over time, often in equal installments. While they can be convenient, it's essential to understand the terms and potential consequences.

## Class Activity

Instructions:

Divide students into small groups.

Assign each group a website known for BNPL promotions, such as:

- Best Buy
- Apple Store
- Amazon
- PayBright (now part of Affirm)
- Afterpay

Each group will:

- Identify a product with a BNPL option.
- Note the total cost, installment amounts, and any interest or fees.
- Discuss the ease of access to BNPL and any credit checks involved.

Groups will present their findings to the class.



## Class Discussion

Have students participate in the PersonalFinanceLab [Budget Game](#), focusing on scenarios involving credit usage. Ask them to only use their credit card for one month and reflect on how this impacts their overall experience in the budget game.

Ask students to reflect on:

- How did using credit affect their budget?
- Were there any unexpected fees or consequences?
- How does this experience relate to BNPL services?

**Time:** 20 Minutes

**Required Resources:** PersonalFinanceLab.com site license & computer access.

**Type:**  Technology-Based Activity

 Individual Activity/Homework

 Class Discussion

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## Discussion Questions

- What are the potential benefits of using Buy Now, Pay Later (BNPL) services?
- What risks or drawbacks might consumers face with BNPL?
- How does BNPL compare to traditional credit cards?
- In what situations might using BNPL be a smart or strategic financial choice?
- What warning signs suggest BNPL might lead to unmanageable debt or interfere with essential expenses?
- How can BNPL usage impact your credit score and overall financial health?

## Key Takeaways

- BNPL services offer a way to defer payments but require careful consideration of terms and potential fees.
- While convenient, BNPL can lead to overspending and financial strain if not managed properly.
- Understanding the similarities between BNPL and credit card usage can help consumers make informed financial decisions.
- Responsible use of BNPL involves assessing one's ability to meet payment obligations and understanding the impact on credit health.

## Conclusion

As BNPL services become increasingly common in online shopping experiences, it's important for students to critically evaluate how and when to use them. This lesson empowers students to go beyond the marketing and understand the real financial responsibilities that come with deferred payments.

By exploring BNPL through hands-on research, discussion, and the **PersonalFinanceLab Budget Game**, students are better equipped to make informed choices, distinguish wants from needs, and build healthy credit habits early on. The ultimate goal is to foster financial confidence and decision-making skills that will serve students well throughout their lives.