

NAME: _____

DATE: _____

ACTIVITY

Warning Signs

What + Why: Debt problems usually don't happen all at once. Most of the time, there are warning signs before a situation becomes serious.

The behaviors in this activity reflect real patterns that can signal that debt is becoming harder to manage. As you evaluate each one, think about what it communicates about someone's financial situation, and what could happen next if nothing changes.

**Instructions:**

1. Read each behavior.
2. Decide whether it shows an Early Warning, a Serious Distress, or a Crisis.
3. Determine one likely consequence for this behavior:
 - Financial (higher interest costs, damaged credit score, debt collections, wages taken back, etc.)
 - Emotional (stress, anxiety, avoidance, relationship strain)
 - Long-Term (difficulty renting or buying a home, limited borrowing options, bankruptcy)
4. Answer the reflection question.

Be ready to explain your choices.

Behavior	Category	One Likely Consequence
Paying only minimum payments every month	☐ Early Warning ☐ Serious Distress ☐ Crisis	
Missing or delaying payments	☐ Early Warning ☐ Serious Distress ☐ Crisis	

(Continued)

Behavior	Category	One Likely Consequence
Using one credit card to pay another	☐ Early Warning ☐ Serious Distress ☐ Crisis	
No money left for savings	☐ Early Warning ☐ Serious Distress ☐ Crisis	
Maxed-out credit cards	☐ Early Warning ☐ Serious Distress ☐ Crisis	
Denied new credit	☐ Early Warning ☐ Serious Distress ☐ Crisis	
Collections calls	☐ Early Warning ☐ Serious Distress ☐ Crisis	
Late fees every month	☐ Early Warning ☐ Serious Distress ☐ Crisis	
Borrowing again to cover bills	☐ Early Warning ☐ Serious Distress ☐ Crisis	
Not sure how much is owed	☐ Early Warning ☐ Serious Distress ☐ Crisis	

Reflection Question

Which behavior do you think causes the most long-term damage? And is it financial, emotional, or both? Explain your reasoning.