

NAME: _____

DATE: _____

CASE STUDY

Apply to Kai

What + Why: Discover how one financial decision can ripple through your credit score and shape future opportunities.

Credit scores don't change randomly. They respond to real decisions people make every day. Opening a new account, missing a payment, or paying down a balance can all shift a credit score in different ways. In this activity, you'll apply what you've learned about the five credit factors to predict how Kai's choices would affect a credit report and score. Understanding these cause-and-effect patterns helps you see how everyday financial decisions can shape future borrowing costs and opportunities.

**Instructions:**

1. With your group, read your chosen credit scenario.
2. Determine how the decision would impact Kai's credit score.
3. Use evidence to complete the analysis questions. Prepare a brief explanation of your conclusions.

Scenario A:	Scenario B:	Scenario C:	Scenario D:	Scenario E:
Kai Opens a Store Credit Card and Uses \$300 of a \$1,000 Limit	Kai Misses One BNPL Payment by 30 Days	Kai Pays All Credit Card Balances Down to 20% Utilization	Kai Applies for Three Credit Cards in One Week but Is Approved for Only One	Kai Makes On-Time Payments for 12 Consecutive Months

Assigned Scenario: _____

For each credit score factor, indicate whether Kai's decision makes that factor look better (✓), worse (✗), or unchanged (↔) to a lender.

Amounts Owed	Payment History	Credit Mix	New Credit	Length of History
✓ ✗ ↔ ☐ ☐ ☐	✓ ✗ ↔ ☐ ☐ ☐	✓ ✗ ↔ ☐ ☐ ☐	✓ ✗ ↔ ☐ ☐ ☐	✓ ✗ ↔ ☐ ☐ ☐

Analysis Questions:

- Which credit factor would have the greatest impact on Kai's credit score? Why?
- Would this likely have a short-term impact, long-term impact, or both on Kai's credit score? Explain.
- Overall, would Kai's overall credit score likely increase, decrease, or shift temporarily? Explain your reasoning.