

NAME: _____

DATE: _____

CASE STUDY

Signal Analysis Chart

What + Why: Break down how Kai's borrowing decisions send different credit signals and impact future opportunities.

Not all borrowing affects credit in the same way. Some options immediately change what lenders see, while others only create risk under certain conditions. As you analyze each of Kai's financing choices, focus on how the signals shift, not just whether the purchase gets paid for.

Supporting Materials:

Laptop Financing Options (Case Study)

Kai's Credit Report (Case Study)

Instructions:

1. Work with your group to review Kai's four financing options.
2. Complete the **Signal Analysis Chart** by identifying how using each option changes Kai's credit signals and perceived risk.
3. Use details from the case study (credit limits, balances, reporting language) to support your responses.
4. Answer the three reflection questions using evidence from your completed chart.

Prepare to share your answer to the third reflection question in an upcoming class share-out. Note that this question answers **Supporting Question 2:** How could each laptop financing option affect how the financial system views Kai in the future?

Signal Analysis Chart

Credit Signal	Store Card	BNPL	Student Card	Payday Loan
What new item(s) would be added to Kai's credit report?				
Effect on debt balances shown on Kai's credit report.	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change
Effect on Credit Utilization	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change	☐ ↑ increase ☐ ↓ decrease ☐ ↔ no change
Overall Change in Risk Signals (if used responsibly)	☐ low ☐ moderate ☐ high	☐ low ☐ moderate ☐ high	☐ low ☐ moderate ☐ high	☐ low ☐ moderate ☐ high
If Unpaid, Severity of Long-Term Impact	☐ low ☐ moderate ☐ high	☐ low ☐ moderate ☐ high	☐ low ☐ moderate ☐ high	☐ low ☐ moderate ☐ high

Reflection Questions

1. Which option creates the biggest visible change to Kai's credit profile? Explain using evidence from the chart or case study.
2. Which option creates the smallest immediate visible shift in Kai's credit profile? Explain using evidence from the chart or case study.
3. Which financing option is most likely to improve or protect Kai's credit score one year from now, and which is most likely to damage it? Use evidence from your chart.

Signal Analysis Chart Rubric

Criteria	4 – Strong	3 – Proficient	2 – Developing	1 – Beginning
Understanding of Kai's Credit Profile	Clearly and accurately summarizes Kai's current profile and identifies the most significant existing risk signal.	Accurately summarizes profile with minor omissions.	Summary is incomplete or partially inaccurate.	Limited or inaccurate understanding of Kai's starting credit profile.
Analysis of Credit Signals	Accurately explains how each option changes utilization, balances, new activity, and visible risk signals.	Explains most signal changes with minor errors.	Identifies some signal changes but misses key impacts.	Shows limited or incorrect understanding of how options affect credit signals.
Comparison & Evaluation of Options	Clearly identifies the option that best protects Kai's financial reputation and the option that creates the most long-term risk, using specific chart evidence to support both conclusions.	Identifies strongest and riskiest options with reasonable explanation; one conclusion may lack depth or specificity.	Attempts to compare options but reasoning about long-term financial reputation impact is vague or incomplete.	Does not meaningfully compare options or connect conclusions to how the financial system would view Kai.
Use of Evidence	Consistently references specific case details (balances, limits, utilization percentages).	References relevant details in most explanations.	Uses limited or vague evidence.	Provides little or no supporting evidence.
Presentation & Communication	Presents clearly within time, organizes ideas logically, and responds confidently to follow-up questions.	Presentation is clear and mostly organized.	Presentation lacks clarity or organization.	Presentation is unclear, incomplete, or off-task.