

HLB@SCHOOL

classroom
adventures...
EXPLORE • ENGAGE • EMPOWER

OCT 2023
ISSUE 8



UNLOCKING THE SECRETS OF BORROWING MONEY & DEBTS

WHAT IS **BORROWING**, YOU ASK?

Well, borrowing is like taking something or an item from someone else with the understanding that you will return it in the future. But hold onto your hats, because in this adventure, we're not talking about borrowing toys or books; we're diving headfirst into the adult world of borrowing money!

Adults often borrow money when they have grand missions like buying a house, a car, or starting their own business. But here's the golden rule: when you borrow money, you promise to return it later..

PICTURE THIS!

You have a friend with a shiny, new gadget. You can't resist, so you summon your courage and ask your friend if you can borrow it for a while.

And guess what? They say yes! You promise to give it back when you're done. Borrowing money is a bit like that, but instead of gadgets, it's money!



NOW, PREPARE FOR A NEW TERM :

DEBT!

When adults borrow money from someone, they are creating debt. Debt binds them to the person who lent them the money. If they break their promise, trust is vanished and they might get into trouble.



BUT WAIT, THERE'S MORE TO THIS ADULTING! THERE ARE DIFFERENT TYPES OF ADULT LOANS:



PERSONAL LOAN

Sometimes, adults can borrow money from family, friends, or even banks. They might need to return the money with a token called "interest".



HOME LOAN

Adults often apply from banks to finance their dream home. They borrow a certain amount of money and return it over a period of time, along with "interest".



CAR LOAN

Adults often borrow money to get a mighty steed (a.k.a. a car). They pay it off bit by bit, along with some extra "interest".



CREDIT CARD

This is like having a card that allows an adult to make purchases effortlessly by merely tapping it on small devices. But beware! They must pay back the money during a period of time, and if you don't, there's a twist called "interest".

ANOTHER NEW WORD: **INTEREST!**

Interest is tied to the loan. It's a way of saying thanks to the banks for lending you their precious money.

BUT HOW DO YOU BREAK OFF FROM DEBT?

When borrowing money, it is usually a promise to pay it back over time. Think of it as a treasure map. Regular monthly payments need to be made, like small drops into a treasure chest each month until the entire debt has been repaid.

Remember, while borrowing money can be as thrilling as a treasure hunt, it's essential to use this service wisely. Only embark on these requests when you truly need to, not just because you want to. You can also learn the art of saving your own gold or seek out cheaper alternatives instead of relying on loans.