



Buy Now, Pay Later

NGPF

1. At the end of 2020, “buy now, pay later” services became increasingly popular. What are they?

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- b) Special credit cards with 0% interest fees
- c) Gift cards that you can buy online now and use later
- d) Promotional codes that allow you to get items on sale



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2. Many “buy now, pay later” loans have no interest or low-interest. How do they make a profit?

- a) Customers pay a service fee with their purchase
- b) Customers pay slightly higher sales tax
- c) Business owners charge customers a usage fee
- d) Business owners pay a fee on each transaction



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3. What is one major reason so many people are attracted to these “buy now, pay later” loans?

- a) They do a hard credit inquiry and help build credit
- b) They do not charge any fees, even if you pay late
- c) They inform you up front of the full amount you’ll pay
- d) They don’t share your data like credit card companies



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4. If you do not make your loan payments on time, what will happen?

- a) The business owner will come get the items back
- b) You'll be charged a late fee & it can hurt your credit
- c) You will never be able to use that loan service again
- d) You will pay compound interest, just like credit cards



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5. According to data from 2020, what types of purchases are people making with these loans?
- a) Mostly bills like electric bill, utilities and cell phones
 - b) Mostly groceries & restaurant food orders for delivery
 - c) Mostly discretionary items like shoes & beauty products
 - d) Mostly entertainment & local travel



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You've completed the exercise, now it's time to learn more about the current event:



Discussion Prompt:

Have you or would you use
“buy now, pay later” loans
from companies like Afterpay
and Affirm? Why or why not?

