

Money Management: Borrowing

ProjectFAME
Credit Cards
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June 23, 2011

Welcome Back!!!

- Let's start with daily activities
 - Logon
 - Open Worklog (Word)
 - Set up and write any opening thoughts
 - Summary of Tuesday
 - Questions???

What we're going to do

- What's up for today:
 - Credit Cards
 - Vocabulary
 - Discussion
 - Spreadsheet

Maria Break

- Ethics - Chapter 4
 - Did she do the right thing?
 - What were her options?
 - What would you do?
- Understand and clarify your values
- Communication, Communication, Communication

Maria Break

- Ethics
- Old quote - not sure of source
 - *"Never say anything you don't want to read on the front page of the NY times."*
- For today?
 - Be really careful what you put on the web
 - Be really careful about what you forward
- Think first

Business Insider War Room

- Headhunters Reveal 11 Ways To Ruin Your Chances Of Getting A Job
- HR Execs Reveal The 13 Most Common Resume Blunders

Credit Cards

- Remember: companies that issue credit cards are in business to make money

To talk about them we need some vocabulary

- Using them:
 - Charge
 - Cash advance
 - Limits
 - Credit limit
 - Cash advance limit
 - Outstanding balance*
 - Average daily balance*

Outstanding Balance

- Balance from previous statement
- + charges on the statement
- - payments made this cycle
- Basically what you owe now

Average Daily Balance

- Add together
 - Ending daily balance for each day in billing period (cycle)
- Divide by number of days in billing period

What they charge you

- Interest (finance charge*)
 - Annual percentage rate
 - Daily finance charge*
- Late fees
- Annual fee

Daily finance charge rate

- Annual percentage rate
- Divided by 365

$$13.99\% = \frac{13.99}{100} = .1399$$

$$\frac{.1399}{365} = 0.00038$$

Finance Charge

- Daily finance charge
- Times number of days in billing period
- Times average daily balance

When you pay

- Payment due date
- Grace period
- Minimum payment

Credit Card Options

- No credit cards
 - Save money, then buy
- Pay it off each month
- Transfers
- Pay as much as you can each month
- Make minimum payment

How does this relate to my credit score?

- Wait, what is a credit score?
- Let's see what we can find on the web...
 - Equifax
 - Experion
 - TransUnion

Choosing a card (or NOT)

- <http://www.creditcards.com/>
- <http://www.indexcreditcards.com/>
- <http://www.bankrate.com/>
- <http://www.consumerreports.org/>

Have a great weekend!!!

- Here is my email address:
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- Please feel free to let me know if you would like format or content changes