

Money Management: Borrowing

ProjectFAME
Excel and Credit Cards

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Welcome Back!!!

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

Savings

- You would like to purchase a reliable used car
(Independent Practice p 8 in 'Banking')
- Research indicates it will cost about \$5000
- You have a part-time job \$160 per week
 - Can save 1/2 of your earnings
 - Already saved \$250
 - Savings account pays 3.25% annually
 - Compounded monthly
- How long (in months) will it take to save the \$5000?

Some Quick Math

- Let's convert 3.25% to decimal notation
 - $x\% = x \text{ per cent} = x \text{ per } 100 = \frac{x}{100}$

$$3.25\% = \frac{3.25}{100} = .0325$$

- For monthly divide by 12
- For daily divide by 365

Now a Quick Estimate

- Want to save $5000 - 250 = 4750$
- How much do we put in a month
 - $160/2 = 80$ per week
 - There are four weeks in a month
 - So 320 dollars per month

$$\frac{4750 \text{ \$}}{320 \text{ \$/month}} = 14.8 \text{ _months}$$

Excel

- Now let's run the numbers
- Open a spreadsheet
- We'll go through our solution step by step
- Save it to your flash drive as "Savings"

That was fun! Are we done yet?

- Computers do exactly what we tell them
 - This is wonderful and horrible
- **Garbage in, garbage out**
- Yes, we still need to think and check
 - This is why we did the estimate
- What could have gone wrong?

Discussion

- What is money?
 - Why do you need it?
 - How do you get it?
 - What do you do with it when you get it?
- Why plan?
 - Setting goals
 - Short term
 - Long term

Discussion

- Getting what you...
 - Need
 - Want
- Saving or borrowing
 - Talked about saving this morning
 - What is borrowing and how does it work?
 - **Next we'll look at credit cards**

Record keeping digression

- Why should we keep records?
- What kind of records should we keep?
- How can we set up record keeping so:
 - It is easy to use
 - We will actually do it
 - We can get the information we need from it
 - So we see the benefits

Planning Digression

- Need both short term and long term
- Be here now - carpe diem
- Wake up one day and realize you might live to retirement
- **Balance is everything**

Maria Break

- **Based on chapters 1 and 2**
- **In groups of two or three:**
 - **Discuss the questions on the next slide for about five minutes**
 - **Summarize the lessons as they apply to you in your worklog**
 - **Write about at least two of them in your worklog**

Maria Break

- What is your passion?
- If you don't know, how can you find it?
- What does your gut say?
- How does it fit in with a career?
- What are the beginning jobs in that field?
- What do you need to get there?

What we're going to do

- What's up for today:
 - Credit Cards
 - Vocabulary
 - Discussion
 - Spreadsheet Today
 - Tomorrow Speaker: Financing College

What is a credit card?

- What is a credit card?
- Do you have one? Your parents?
- How do you/they use it?
- How is it different from a debit card?
- How do you get one?
- Is having one a good idea?
- Aren't credit cards all the same?

For Thursday

- Read Chapters 3, 4, and 5 in Shriver
- Guest Speaker Tomorrow
- Questions???

But there's more!

- Put the final touches on the entry for today in your worklog
- Have a great lunch!
- PS Don't forget your flash drive!