

Bank Accounts, Credit Cards, Credit Score, and Debt

Name: _____

First, some definitions:

Credit Card: _____

Credit Score: _____

Loan: _____

Interest: _____

Mortgage: _____

What's your credit attitude?

Statement	Strongly Agree	Agree	Disagree	Strongly Disagree
People spend more money when they use credit.				
It's always better to pay cash.				
Saving up for something makes more sense than borrowing to buy it.				
Having credit is a big responsibility.				

What are some advantages and disadvantages of using credit (credit card, mortgage, car loan, student loan, etc...)

Advantages	Disadvantages

Savings Account Interest vs Credit Card Interest

We will look at a few different bank account interest rate percentages to see what you can earn in interest each year, depending on how much money you normally keep in your account.

Bank account interest earned is paid out to you **annually**.

\$ Amount in Account	Interest Rate (%)	Interest Earned Annually
\$5000	1.00%	
\$5000	0.50%	
\$5000	0.05%	
\$1000	1.00%	
\$1000	0.50%	
\$1000	0.05%	

Credit card interest works a bit differently. You pay interest on your balance **monthly**.

\$ Amount Owed	Interest Rate (%)	Interest Paid Monthly
\$100	12.99%	
\$100	19.99%	
\$100	22.99%	
\$500	12.99%	
\$500	19.99%	
\$500	22.99%	
\$1000	12.99%	
\$1000	19.99%	
\$1000	22.99%	
\$10,000	12.99%	
\$10,000	19.99%	
\$10,000	22.99%	

****Credit cards offered by stores might offer you a great deal or incentive to encourage you to sign up. They usually have higher interest rates (25% OR HIGHER) than the average bank-based credit cards, so be very careful about signing up for these cards!****

Minimum Monthly Payment: _____

What was the interest rate we used for car loans in our Finance Project? _____

What is a key lesson we can learn from *Spent: Looking for Change*?

What was your overall reaction to the film?

Which characters' stories did you identify most with and why?

In the film, Justin is searching to buy a house, but is limited by his bad credit and inability to prove credit worthiness. Some new companies are looking at cell phone data, bill pay history and job history to determine credit worthiness. **What other aspects of a person's financial life could be used to help determine credit worthiness?**

In the film, Debbie is working towards paying off her student loans while simultaneously trying to jump start her career in fashion. The class of 2013 graduated with an average of \$35,200 of college-related debt — a figure we see rise year after year. **What are the implications of graduating with this much debt?**
