

# **Bank Accounts, Credit Cards, Credit Score, and Debt**

Name: \_\_\_\_\_

**First, some definitions:**

Credit Card: \_\_\_\_\_

\_\_\_\_\_

Credit Score: \_\_\_\_\_

\_\_\_\_\_

Loan: \_\_\_\_\_

\_\_\_\_\_

Interest: \_\_\_\_\_

\_\_\_\_\_

Mortgage: \_\_\_\_\_

\_\_\_\_\_

**What's your credit attitude?**

<b>Statement</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
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...)**

<b>Advantages</b>	<b>Disadvantages</b>

### **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**.

<b>\$ Amount in Account</b>	<b>Interest Rate (%)</b>	<b>Interest Earned Annually</b>
\$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**.

<b>\$ Amount Owed</b>	<b>Interest Rate (%)</b>	<b>Interest Paid Monthly</b>
\$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 one key lesson we can learn from the Stats of Life video about savings/debt?

\_\_\_\_\_

\_\_\_\_\_