

Credit Card Smarts Assignment Details

- ◆ The assignment should take one page, about half of the page for the table with 5 rows and 5 columns of data and half for the paragraph summary. That is what is meant by "full one-page summary and reaction page."
- ◆ The paragraph below the table should state insights that you gleaned from the numbers in the table such as relationships between the numbers and data trends (e.g., interest and time required to repay debt). The greater the depth of your analysis and the neater (including typos and grammar) your paper is, the higher your grade.
- ◆ Pick out any data from the calculator (use both sides) to create your table; in other words, create scenarios with different amounts of debt and % amounts of repayment.
- ◆ The calculator assumes an 18% annual percentage rate (APR) of interest.
- ◆ The 3%, 4%, and 6% figures on Side 2 refer to the percentage of the outstanding balance that is being repaid. For example, with a \$1,000 outstanding balance, 3%, 4%, and 6% of balance payments translate into payment amounts of \$30, \$40, and \$60, respectively.
- ◆ There is no one right way to complete this assignment. Column headings and table data are expected to vary from student to student.

Heading	Heading	Heading	Heading	Heading

CREDIT CARD SMARTS™

Cost of Delay Calculator

— SIDE 1 —

Paying Just the MINIMUM?
Check the REAL cost of your credit card debt.

Cost of Delay Calculator

Find your current debt: ▶ \$6,000

If you pay just the minimum each month*

You will pay a total of **\$11,518** for your debt, including **\$5,518** in interest charges, and you will make monthly payments for **17** years**

* Assumptions: Minimum monthly payment is 3% of your outstanding balance. 18% nominal annual interest rate (1.5% per month), dollars and cents are rounded to the nearest whole number, stated percentage of balance is paid monthly, no additional fees or charges are incurred during repayment period, no payment is less than \$15, except for the last payment. Full on side for further explanation.

— Turn over for Side 2 —

— Sample —

Personalizing May Include:
Your name, logo, message in this area
— further explanation, contact, order, etc. info — available —

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Advantage Publications, Boston
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An Advantage™ Calculator

CREDIT CARD SMARTS™

Booster Calculator

— SIDE 2 —

Pay MORE Each Month
And Save a LOT!

Booster Calculator

\$6,000 ◀ First, Find Your Debt

Now, See How Much You Can SAVE:

Monthly Payment	Payment Amount	YEARS TO PAY*	Interest	Interest Saved**
3% of balance	\$180	17	\$5,518	\$0
4% of balance	\$240	12	\$3,394	\$2,124
6% of balance	\$360	7	\$1,919	\$3,619

* This is your first monthly payment. If you do not charge more, your payments will decrease each month. See "Assumptions" on Side 1.
** Savings based on boosting payment from 3% to 4% or to 6%.

Wandering Where to Find Money To Boost Your Payment?
Try cutting back on something. For example, one less shopping trip or dinner out could save you \$50 or more!

Tempted to buy more on your credit card?
Check the TRUE cost of a credit card purchase if you pay just 3% minimum each month:

Price Tag:	\$50	\$100	\$250	\$500	\$1,000
Interest*	\$19	\$ 97	\$243	\$486	\$ 971
True Price:	\$69	\$197	\$493	\$986	\$1,971

* Minimum is the total interest you would pay over time for charging this purchase. ** Savings based on charging this purchase with a 3% minimum payment. See "Assumptions" on Side 1.

An Advantage™ Calculator