

MS. WESTON'S WORK PACKET PERIODS 1-7  
April 13<sup>th</sup> – April 24<sup>th</sup>  
Business Entrepreneurs and OJT Program

CONTACT INFORMATION: [westonp@leonschools.net](mailto:westonp@leonschools.net)

Available via email Monday thru Friday from 8am – 3pm  
Also via chat in the Office365 Teams program

Please reach out with questions or concerns

## Credit Cards

Credit Cards are a staple in the financial world and as you embark on your own personal financial decisions, you will probably make the choice to have one. The purpose of this assignment is to get you looking at credit cards and the terms that are involved with them. Below is a list of the most common terms and their definitions for your ease of reference. To complete this assignment, with as little issues as possible, I have outlined some steps to help you along.

- To look for your bankcard – go to your banks website – navigate to the credit card section of the website – there will be a few cards to choose from
- To look for a store card – google a major store chain, target, Walmart, amazon, old navy, so on... and they should have a section of their website for credit cards, sometimes they have a few choices – pick which one makes the most sense for you.
- To look for a rewards card – google “best rewards credit card” there will be many links that have multiple rewards cards listed and their information nicely outlined. Look through these cards, look at the rewards, some is cash back – airline miles – and see what you like the best  
[https://www.nerdwallet.com/credit-cards?trk=nw\\_gn\\_4.0](https://www.nerdwallet.com/credit-cards?trk=nw_gn_4.0) - great resource can sort through lots of credit cards

## VOCABULARY TO KNOW

**Annual Fee:** A yearly fee charged for holding a credit card. You pay this fee once a year regardless of credit card use.

**Annual Percentage Rate (APR):** Super Important – the interest rate you are charged if you don't pay off your credit card balance in full each billing cycle. You only pay the interest after your statement balance is past due. For example, my credit card cycle is monthly, so my spending period is between April 3<sup>rd</sup> and May 3<sup>rd</sup>, when May 3<sup>rd</sup> comes along, I am sent a statement to pay that previous months transactions, and that balance is usually due a month later, so June 3<sup>rd</sup>. If I do not pay that balance by June 3<sup>rd</sup>, I will then be charged an interest rate.

**Balance:** the amount you owe on your credit card bill, will change month to month depending on your spending.

**Billing Cycle:** the amount of time between the last statement closing date and the next. I referred to the billing cycle in my example in the Annual Percentage Rate definition.

**Credit Limit:** The maximum amount you can charge to an account, will vary by person and usually higher with better credit score

**Credit Score:** A three-digit number that represents your creditworthiness. Ranges from 300-850, the higher the credit score the better, usually means you are reliable with paying off your debts and financial obligations. Your repayments and how much debt you have impact on your credit score. This can also be expressed as poor, fair, good, excellent.

**Credit Utilization Rate:** the amount of credit you are using compared to the amount of credit you have available. If you have an \$800 credit card balance and you have a \$2,000 credit card limit, your CUR is 40%:  $(\$800 / \$2,000 = 0.4 \times 100 = 40\%)$ . Experts recommend keeping your utilization rate below 30%.

**Late Payment Fee:** a fee charged for paying your credit card late; the fee can increase if payments are continuously made late

**Minimum Payment:** smallest amount you can pay to keep account current. If it is less than your total balance, you will incur interest on the remaining monthly balance

**Credit Card Assignment:** Using the chart below, pick 3 credit cards and define their parts – fill in the columns that have been left blank.

- Your bankcard should be a credit card from where you currently bank.
- Your store card should be picked from a store you could see yourself shopping at. Many stores have their own credit card programs, see which one you like.
- Your rewards card should be a card that you pick for the rewards it give, airline miles, cash back, store points and so on...
- Try using nerd wallet credit card site – they will list out cards for you and provide comparisons; under each card you can click rates and fees to find everything outlined

<b>Your Bank Card</b>		<b>A Store Card</b>		<b>A Rewards Card</b>	
<b>Annual Fee</b> (if there is not one, put \$0)		<b>Annual Fee</b> (if there is not one, put \$0)		<b>Annual Fee</b> (if there is not one, put \$0)	
<b>Annual Percentage Rate (APR)</b> Intro and/or standard		<b>Annual Percentage Rate (APR)</b> Intro and/or standard		<b>Annual Percentage Rate (APR)</b> Intro and/or standard	
<b>Required Credit Score</b> (this might be a range; ex: 550-750 or wording like good/excellent)		<b>Required Credit Score</b> (this might be a range; ex: 550-750 or wording like good/excellent)		<b>Required Credit Score</b> (this might be a range; ex: 550-750 or wording like good/excellent)	
<b>Late Payment Fees</b>		<b>Late Payment Fees</b>		<b>Late Payment Fees</b>	
<b>Perks or Rewards?</b>		<b>Perks or Rewards?</b>		<b>What is the reward program?</b>	
<b>Why did you pick this card over others offered?</b>		<b>Why did you pick this card over others offered?</b>		<b>Why did you pick this card over others offered?</b>	

## **Personal Budgeting**

Reflect on your income and spending habits before and during spring break. Did you plan a vacation and spend more money than you used to? Did you eat lunch out every school day? How much driving were you doing, and was that causing you to spend more on gas? What were some other purchases you made during that time? On average, how much money a week were you spending? How many of these purchases were impulse vs necessary? NOW look at what you have spent since self-isolation started, March 23<sup>rd</sup> and on. Are you spending more on food ordering take out or online shopping out of boredom? How has your income changed; no work no money? Has that influenced your spending habits? Are there necessary purchases that are not happening because of the lack of income? In 500 words, explain how you spent and budgeted your money previously and currently. Maybe you did not budget well previously and now you are, why is that? Be sure you check your word count; you are welcome to continue below this paragraph. You can check your word count by highlighting all you have written and checking the bottom left corner of the word doc – I will be checking the word count and deducting points when not met.