Game of Life

Name:

Economics Terms:

|  |  |  |
| --- | --- | --- |
|  | Definition | Student Friendly Definition |
| Economy |  |  |
| Gross Domestic Product (GDP) |  |  |
| Inflation |  |  |
| Unemployment |  |  |
| Recession |  |  |
| Depression |  |  |
| Investment |  |  |
| Natural Resources |  |  |
| Scarcity |  |  |
| Renewable Resources |  |  |
| Nonrenewable Resources |  |  |
| Economic Wants |  |  |
| Opportunity Cost |  |  |
| Supply and Demand |  |  |
| Law of Diminishing Returns |  |  |

When I grow up I want to be

1. My Salary will be…
2. How many years of college/Tech school do I need?
3. Where will I go to college?
4. How much will college cost total?
5. How will I pay for college?
   1. What is the difference between FAFSA loans and Private loans such as Salliemae? (min one paragraph)
6. Why am I choosing this job? (min one paragraph)

Where will I live?

\*Complete the following

1. When I graduate college, I would like to live…

2. After deciding where you want to live, look on careerbuilder.com and find three listings for your career in the location that you want to live. (If you can’t find a job in your location, change where you want to live) Write the names of the companies below.

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3. Choose one of the three listings and answer the following questions

- What is the job description?

* What are the job requirements?
* What are the Education requirements?

**Career Project: Budget Sheet**

1. ***Complete the following based on your Career’s Salary***
2. Decide on a career choice
3. Use google to find out how much the Average Annual Salary is
4. Record the Annual Entry Wage below as your Annual Salary
5. Divide by 12 to find your Monthly Salary and record
6. Divide the Annual Salary by 52 to find the Weekly Salary and record

|  |  |  |  |
| --- | --- | --- | --- |
| **Career Choice** | **Annual Salary** | **Monthly Salary** | **Weekly Salary** |
| 3. | 5. | 6. | 7. |

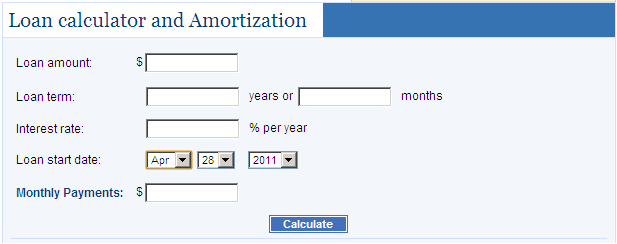
1. Record your Monthly Salary as your Gross Monthly Salary
2. Multiply your Gross Monthly Salary by each of the percents to find how much is taken out of your paycheck each month.
3. Subtract the Total Deductions from the Gross Monthly Salary – This is your Net Monthly Income
4. Use your Net Monthly Income to find out how much you spend on monthly expenses by multiplying by those percentages.

|  |  |
| --- | --- |
| **Gross Monthly Salary** | 8. |
| Federal Tax (15%) | 9a. |
| FICA/Social Security (6.2%) | 9b. |
| State Taxes (4.85%) | 9c. |
| Retirement (6%) | 9d. |
| **TOTAL DEDUCTIONS(32.05%)** | 9e. |
| **Net Monthly Income** | 10. |

**Career Project: Budget Sheet**

***B.*** ***Complete the following based on your housing choice.***

***Directions:***

1. You may visit [www.century21.com](http://www.century21.com) or any local reality company to find a house that you wish to buy. Record the cost of the house. If you want to rent a house, you can look on Craigslist under the rentals in the area you wish to live.
2. If your credit is good (that means you pay your bills on time and don’t owe too much) then your interest rate to borrow money to buy your house should be 4.5% or .045.
3. Visit <http://www.bankrate.com/calculators/mortgages/loan-calculator.aspx>
4. Enter the Cost of the House in the first block.
5. Enter in 15 years and 180 months.
6. Enter in the interest rate to be 4.5%
7. Click on Calculate.
8. Record your Payment amount for 15 years.
9. If your payment is more than 11a. on page 1,

you will need to buy a cheaper house.

|  |  |  |  |
| --- | --- | --- | --- |
| **Cost of the Car** | **Interest Rate** | **Monthly Payment**  **(5 years)** | **Monthly Payment**  **(6 years)** |
| 16. | 17. 5.25% | 18. | 19. |

|  |  |  |  |
| --- | --- | --- | --- |
| **Cost of the House** | **Interest Rate** | **Monthly Payment (15 years)** | **Monthly Payment (30 years)** |
| 12. | 13. 4.5% | 14. | 15. |

1. Repeat step 3 for a 30 year/360 months loan. Record your Payment amount for 30 years.

***C. Complete the following based on your car choice.***

***Directions***

1. You may use the car worksheet in the classroom or visit <http://www.truecar.com> to find one vehicle that you would like to purchase. Record the cost of the vehicle.
2. If your credit is good then your interest rate to borrow money to buy your car should be 5.25% or .0525.
3. Visit <http://www.bankrate.com/calculators/mortgages/loan-calculator.aspx>
4. Enter the Cost of the Car in the first block.
5. Enter in 5 years and 60 months.
6. Enter in the interest rate to be 5.25%
7. Click on Calculate.
8. Record your Payment amount for 5 years.
9. If your payment is more than 11b. on page 1, you will need to buy a cheaper car.
10. Repeat step 3 for a 6 year/72 month loan. Record your Payment amount for 6 years.

Calculating your student loans

Go to the link on my website for calculating student loans

Put in the loan amount (How much is college going to cost you?)

Put in the loan term – Usually 30 years, 360 Months

Keep the interest rate and the date the same.

Press Calculate.

My monthly payments would be –

Keep in mind that Federal Loans can be based on income. If the payments seem very high, talk to me.

Making a Budget

|  |  |  |
| --- | --- | --- |
| Item | Cost | Net Income: |
| Rent or House Payment (Must be in the area you want to live) |  |  |
| Groceries and Personal products Monthly (talk to your parents to see how much is spent on food and divide by the members in your household) |  |  |
| Utilities (gas, electric, water, sewage, trash) estimation will differ based on apartment or house |  |  |
| Cable TV/internet |  |  |
| Phone Bill |  |  |
| Clothing Cost Monthly |  |  |
| Student Loan Payment Monthly |  |  |
| Activities Monthly (movies, traveling, fun) |  |  |
| Car Payment (Research Car cost to estimate) |  |  |
| Insurance (car, home, health) |  |  |
| Gasoline (Monthly) |  |  |
| Eating out (Monthly) |  |  |
| Credit Card Payments |  |  |
| Savings |  |  |
| Charity/Donations |  |  |
|  | Grand Total: |  |
|  | Money left if any: |  |

Explain how your quality of life will be impacted by personal financial choices such as having a savings account. (min 10 sentences)

What are some things that you might need a savings for?

Credit Card Notes: (Use the videos on my website to answer these questions)

APR –

Introductory Rate –

Late Fees –

Example –

For a card that has 23.99% APR and a balance of $523.25

* Paying the minimum payment of $18.00 will take 12 years to pay off and the consumer will have paid $1,166.00 total
* Paying a payment of $21.00 will take 3 years to pay off and the consumer will have paid $739.00 total

Perks of Credit Cards if you must have one

* Some credit cards give points towards rewards
* Sometimes you don’t have the money at the time
* The best philosophy in regards to credit cards is to pay them off monthly

The Giving Tree Chart

|  |  |  |
| --- | --- | --- |
| Stages of Life | Tree’s Gift | How the resources were used |
| Little Boy |  |  |
| Young Man |  |  |
| Man |  |  |
| Older Man |  |  |
| Old Man |  |  |

The Giving Tree Notes:

How did the Boy’s wants change over time?

What are your wants?

What is Scarcity?

List some natural resources?

How does the price of natural resources relate to scarcity?

Did the boy appreciate what the tree gave him?

How does appreciation of our natural resources help us to make better choices?

What do you do to show appreciation towards those who sacrifice for you?

Why is investing important? (Use the Videos on my website and google search)

Investment -

Assets –

Treasury Bond –

Stock Market

What are stocks and why do they matter?

Why do people invest in stocks?

What does Closing Price mean?

What does Market Volume mean?