# FINANCE PROJECT – Unit 13 Project DUE:

# NAME: NAME:

PERIOD:

**CAREER WORKSHEET**

* Proceed to the website [www.CACareerZone.org](http://www.CACareerZone.org)
* If you already have a career in mind, use the search bar in the upper-right of the page to search for a specific career
* If you have no idea, click "Assess Yourself" and choose an assessment (Interest Profiler or Skills Profiler are good options) to help gauge what you may be interested in
* Note: You are NOT required to complete any registrations or give any personal information

|  |  |
| --- | --- |
| Career Name |  |
| Description of the work |  |
| Average annual salary (Choose middle number) |  |
| Education requirements  (Only include the ACTUAL degrees needed) |  |
| Job outlook or prospects |  |
| Interesting Facts  (List at least three) |  |
| Your personal likes about this career (List at least three) |  |
| Your personal dislikes about this career (List at least three) |  |

### COLLEGE WORKSHEET

# Proceed to the website <https://bigfuture.collegeboard.org/college-search?navId=www-cs>

# If you already have an idea for a college then you can search for it in the top search bar

# If you have no idea on what college may work for you, then choose the "College Search Step-by-Step" in the magenta circle

# Complete name of college (no abbreviations):

Admissions Office Address:

Click on "Paying" on the left side for information on the cost of the college. Be sure to choose "Out-of-State Costs" if selecting a university outside of California.

|  |  |
| --- | --- |
| Tuition and Fees |  |
| Room and Board |  |
| Books and Supplies |  |
| Personal Expenses |  |
| Transportation Expenses |  |
| **ESTIMATED TOTAL (For one year)** |  |

Use 2% inflation (compounded continuously) each year to calculate the estimated total for years 1-4 of college and then the total cost. Be sure to apply inflation on the total for the current year to get to Year 1. **Show numeric substitution into formulas.**

|  |  |
| --- | --- |
| Year 1 |  |
| Year 2 |  |
| Year 3 |  |
| Year 4 |  |
| TOTAL |  |

Suppose you get some help through scholarships and your generous parents. They help you by paying $10000 *each year* towards your college expenses. You must take out a loan for the remaining amount.

The amount of your loan is

Your college loan will be for 10 years and is 4.3% interest compounded monthly.

Calculate the amount of your monthly payment for your loan.

##### **Write the numbers used for the Finance APP.**

Your monthly college loan payment is

The total amount of interest you will pay **CAR WORKSHEET**

* Proceed to the Kelly Blue Book website: [www.kbb.com](http://www.kbb.com)
* Choose "Price New/Used Cars" and then price out a USED and PRACTICAL vehicle. The exact make, model, options, and specifications are up to you.

Year, make, and model of your vehicle:

Kelly Blue Book Value:

Amount of down payment:

Where will the money for your down payment come from? Be specific and use complete sentences.

Amount you will need to finance:

You must take out a loan to finance your car. Your car loan will be for 5 years with an interest rate of 3.99% compounded monthly. Calculate the amount of your monthly payment for your loan. **Write the numbers used for the Finance APP.**

Your monthly car payment is:

The total amount of interest you will pay:

Estimated monthly cost of car insurance:

Resource used:

Estimated monthly cost of gasoline and upkeep of car:

Resource use:

### HOUSE WORKSHEET

* Use Google to search for the median home price in your city.

City of your house/condo:

Median price for your home/condo:

You need a down payment of 5% to purchase your home. How will you get the money?

You will finance the other 95% of the cost. The amount financed is:

Your home/condo loan will be for 30 years with an interest rate of 4.00% compounded monthly. Calculate the amount of your monthly payment for your loan.

##### **Write the numbers used for the Finance APP.**

Your monthly house payment is:

### The total amount of interest you will pay:

Estimated *monthly* cost of house insurance:

List the resource used:

Estimated *monthly* upkeep of house:

List the resource used:

Estimated *monthly* utilities (Gas, water, electric, trash, cell phone):

List the resource used:

Estimated *monthly* property tax:

NOTE: *Annual* property tax is 1% of the purchase price.

### TAXES WORKSHEET

Gross annual income (with experience) in your career:

Gross monthly income (with experience):

Calculate the effective monthly taxes on your income:

|  |  |
| --- | --- |
| 15.75% Federal Income Tax  (Income of $37,451-$90,750) |  |
| 7.65% FICA Tax  (Social Security and Medicare) |  |
| 6% CA Income Tax |  |
| 1.5% Health Insurance Contribution |  |
| 1% County Tax |  |
| **TOTAL MONTHLY TAXES** |  |

Monthly Net Income (Monthly Salary – Monthly Taxes:

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### RETIREMENT WORKSHEET

##### You need to save money each month for your retirement. You will retire at age 65 after having worked for 40 years. You will earn 5.00% interest, compounded monthly, on your savings.

##### Your goal is to have $500,000 for your retirement.

##### Calculate the amount of your monthly payment into your savings for retirement. **Write the numbers used for the Finance APP.**

Amount of money you should save each month for your retirement:

The total amount of interest you will have earned (show your work):

### MONTHLY EXPENSES WORKSHEET

|  |  |
| --- | --- |
| **GROSS MONTHLY INCOME**  (Annual salary divided by 12) |  |
|  |  |
| MONTHLY EXPENSES |  |
| **College Loan Payment** (See "College Worksheet") |  |
| **Car Loan Payment** (See "Car Worksheet") |  |
| Other Car Expenses  (See "Car Worksheet") |  |
| **Mortgage (Monthly House Payment)**  (See "House Worksheet") |  |
| **Monthly Homeowner's Insurance**  (See "House Worksheet") |  |
| **Monthly Estimated Home Upkeep**  (See "House Worksheet") |  |
| **Monthly Utility Cost**  (See "House Worksheet") |  |
| **Monthly Property Taxes**  (See "House Worksheet") |  |
| **Total Monthly Taxes on Income**  (See "Taxes Worksheet") |  |
| **Monthly Retirement Savings**  (See "Taxes Worksheet") |  |
| **Estimated Monthly Food Cost**  (Ask Your Parents) |  |
| **Other Expenses (List them):**  (You are required to find at least three) |  |
| **1.** |  |
| **2.** |  |
| **3.** |  |
| **TOTAL MONTHLY EXPENSES**  (Sum of all expenses in this section) |  |
|  |  |
| **INCOME – EXPENSES**  (Gross Monthly Income – Total Monthly Expenses) |  |

Do you earn enough money to pay all of your bills? If not, what can you do about it?

**CREDIT CARDS WORKSHEET**

##### Will credit cards help? The average undergraduate student leaves college with a degree and around $2750 in credit card debt (graduate students, $4800).

##### Suppose you have a credit card with a balance of $2750 and an annual interest rate of 19.8%. The minimum payment is $75. The amount of interest due each month is figured as where r is the rate (decimal form) and n is 12.

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Microsoft Excel is a spreadsheet program that allows you to type values and formulas. It is also really easy to take those formulas and run a certain calculation over and over, using the answers from a previous calculation.

A formula in Excel always begins with the equals sign. By beginning with the equals sign, Excel will know to execute a certain procedure based off of the information typed.

Look in the table below at the cell for Month 1 Interest. The formula "=B2\*.198/12" will take the amount in cell B2 (currently $2750) and multiply the value by .198/12. Once you type in the formula and press enter, the calculated value will appear; so you will not see the formula, just the value it produces.

Copy the columns below:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **A** | **B** | **C** | **D** | **E** | **F** |
| Month | Current Balance | Interest | Payment | Amount applied to principal | Ending Balance |
| 1 | $2750 | =B2\*.198/12 | $75 | =D2-C2 | =B2-E2 |
| 2 | =F2 | =B3\*.198/12 | =D2 | =D3-C3 | =B3-E3 |

If done correctly, your spreadsheet should look like this:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **A** | **B** | **C** | | **D** | **E** | **F** |
| Month | Current Balance | | Interest | Payment | Amount applied to principal | Ending Balance |
| 1 | $2750.00 | | $45.38 | $75.00 | $29.63 | $2720.38 |
| 2 | $2720.38 | | $44.89 | $75.00 | $30.11 | $2690.26 |

NOTE: Highlight (Click and drag) cells B2 through F3 (All of the cells containing money). Then select the "HOME" tab and then change "GENERAL" to "CURRENCY" with two decimal places.

Now we want to apply the formulas consistently for a large section.

* Highlight (Click and drag) cells A3 through F3 (the third row in your data chart).
* Notice that the section you highlighted is bordered by a thick black rectangle. In the very bottom-right of that rectangle is a black square. When you hover your curser over that, it changes from a thick white + to a thin black + sign. Click that while your cursor is a black +, hold it, and drag down a couple of rows.

When you do this, you are taking the formulas and applying them to corresponding cells.

For example, click the cell F4 and look in the formula bar near the top of the screen. You will find "=B4-E4", the same formula as F3, except it automatically applied it to the cells in row 4.

According to your spreadsheet, what is the ending balance after one year?

Will you ever be out of debt with the credit card company?

Explain:

Finally, once the formulas are set-up, try changing some values. For example, change D2 (the monthly payment) to something different, like $50 or $100. Notice how long it takes to get out of debt with varying amounts.

***What monthly payment will get you out of debt in two years*?**

Use the table to find this value and then confirm using the Finance APP on the calculator.

**TO GET CREDIT FOR THIS WORKSHEET, YOU MUST TAKE YOUR DEVICE TO THE TEACHER AND OBTAIN A SIGNATURE INDICATING SUCCESSFUL CREATION OF THE WORKSHEET.**

**TEACHER SIGNATURE:**