



Credit \$marts: Helping You Become Credit \$avvy

Tempted to Buy More on Your Credit Card

Name: _____ Date: _____

Directions: Use the table in lower portion of **Side 2 (Blue)** of the **Credit Card Smarts™ Booster® Calculator** to answer the following questions:

1. Kelly found a great computer for only \$500. If Kelly charges the computer on her credit card in which she already has a \$500 balance and pays only a 3% minimum payment each month:
 - a. How much interest will Kelly pay on the computer? _____
 - b. What is the *true cost* of Kelly's computer? _____
 - c. What advice would you offer to Kelly? _____

2. Jack received his credit card bill and found he has a balance of \$900. He just charged \$50 for gas and \$50 for a new pair of jeans. He can't afford to pay off his credit card balance this month. If Jack pays only a 3% minimum payment on his credit card each month:
 - a. How much interest will Jack pay for his charges for gas and blue jeans? _____
 - b. What is the *true cost* of Jack's credit purchases for gas and blue jeans? _____
 - c. What advice would you offer to Jack? _____

3. Karen decided to use her credit card instead of her debit card to pay for a \$50 night-out with her friends. She currently has a balance of \$500. She recently quit her part-time job so she can only afford to pay the minimum on her credit card each month.
 - a. How much interest will Karen pay for her purchases? _____
 - b. What is the *true cost* of Karen's credit purchases? _____
 - c. What advice would you offer to Karen? _____

Sponsored by:

