

# Evaluating Credit Card Offers

## Answer Key



1. The balance varies between \$1500 - \$3000 depending on date. How far he is from \$3,000 limit varies as well.
2. Isaiah uses his card at Safeway and Arco regularly and also for purchases on his Apple account.
3. Isaiah sometimes pays the minimum (less than \$50), and sometimes makes a big payment to reduce the principle. Those larger payments are either \$900 or \$1000.
4. Isaiah always carries a balance and is charged between \$30 - \$40 in finance charges each month.
5. Answers are as follows:
  - a. Depending on the day and month, Isaiah does not likely have enough in savings to pay off entire credit card balance.
  - b. This may be a difficult question for students to answer. The first step is to see that Isaiah usually spends about \$1000 with his credit card each month. Students may conclude he has at least enough in checking to use his credit card less.
  - c. Students should identify that between savings and checking Isaiah can reduce debt.
6. The categories for credit cards in Mint include: Tip Picks, 0% Intro APR, Balance Transfer, Cash Back, Rewards, Secured, Student, and Travel.
7. Answers will vary. Mint will show the names, APR, annual fee, and reward details.
  - a. Sample: Capital One, 26.96% APR, \$0 Annual Fee, 1.5% Cash Back reward.
8. Answers will vary.
9. After seeing that Isaiah is paying over \$35 each month in finances charges (#4), students should identify that a 0% APR will save Isaiah the most money.