

**BORROWING**    **PROBLEM SOLVING**

## Get Out of Debt

Leslie tried to buy an organic diet soda at Trader Moe's, but her credit card was declined. In a panic, she called her financial institution and learned that she had reached her credit limit. This isn't Leslie's only debt, and she wants to be debt free. She makes \$4,000 each month after taxes. Help Leslie manage her debt.

In the **Banzai Library**, click on **Borrowing and Credit** and find the article "**Managing Debt.**" Leslie needs to know how to manage her specific situation, so go through Banzai's "**Get Out of Debt**" Coach as if you were Leslie. Use the information we've provided below and click on **Coach: Get Out of Debt** to begin.

	Balance	Interest Rate	Current Minimum Payment
<b>Credit Cards</b>			
American Success	\$5,000	14.14%	\$150
Bullseye	\$1,335	24.04%	\$40
Jetgreen – Frequent Flyer	\$3,452	10.09%	\$140
<b>Student Loan</b>			
Hometown Financial	\$14,000	4%	\$150
<b>Auto Loan</b>			
ZNW Dealership	\$6,750	7%	\$200
<b>Total</b>	<b>\$30,537</b>		<b>\$680</b>

1. If Leslie only pays minimum payments, how long will it take her to pay off her credit card with the highest balance?

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2. How long will it take Leslie to pay off that same credit card if she makes fixed payments of \$150 each month?

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3. As you continue through the session, jot down how long it will take Leslie to be debt free for each of the following conditions:

If she only makes minimum payments: .....

If she uses a debt snowball: .....

If she uses a debt avalanche: .....

4. Feel free to add more to Leslie's monthly payment and play with the numbers. When you're finished, write down which debt payment method you prefer, debt avalanche or debt snowball, and why.

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**LIFE SKILLS**    **COMPREHENSION**

# HEALTH INSURANCE

In the **Banzai Library**, go to the **Insurance** section and read the article “**Health Insurance.**” Answer the following questions based on what you read.

1. What is a premium?

- A. An annual fee you pay for your insurance plan.
- B. An annual fee your employer pays for your insurance plan.
- C. A fee for using your insurance at all.
- D. Both A and B.

2. A deductible is the amount you have to pay before your insurance kicks in.

- A. True    B. False

3. Fill in the blank: In most plans, ..... services are covered completely.

4. Name three things you could use your HSA to pay for:

- 1. ....
- 2. ....
- 3. ....

5. In two to three sentences, explain how a high-deductible health plan (HDHP) works.

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