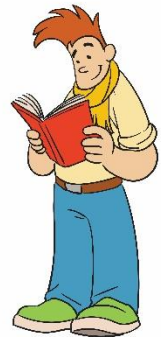


Name: _____

What do you think?

Below are six scenarios. Read through each scenario and determine if the individual should borrow money or not. After reading the scenarios, fill in the chart below.

Scenario 1: Maria always got good grades and recently graduated from high school. She has done a lot of research and is interested in becoming a physical therapist. She has been working at her part-time job over the summer and has saved up most of her money to buy textbooks and other school supplies. Physical Therapists can earn more than \$50,000 a year after completing their education. Maria's parents cannot afford to help her pay for college. Maria has been researching student loans and wants to know if she should take out a loan to pay for her education. What do you think? Why?



Scenario 2: Eugene has been waiting years to find a copy of the leather-bound first edition of his favorite book. He just found a copy at the local bookstore for \$250. Very few copies of the first edition exist and this one is in excellent condition. He doesn't have enough money in his savings account and is considering using his credit card to buy the book. What do you think? Why?

Scenario 3: Jen has been late for work three times in the last month because of car problems. Her boss understood the first time around, but not anymore. She is a single mother with two young children. She has spent a lot of money fixing up her old used car, but it costs too much money now. She can't afford to lose her job, she really likes the company and is able to provide for her family with her earned income. She is considering getting a loan from the bank so she can get a newer used car. What do you think?

Scenario 4: Jay has three credit cards, all of which have balances. He believes you only live once and he doesn't want to miss out on anything. His friends are planning a trip, but he doesn't have any money in his savings account. He just received an offer from another credit card in the mail. The credit limit is high enough on the new card to cover the cost of the trip. Should he open up another credit card account so he can go on the trip with his friends? What do you think?

Scenario 5: Rudy has been eyeing a vehicle at a local car lot. He has always wanted a truck and this one is sweet! His car has been running fine, but this is one of his dreams. He just started work as a salesman a few months ago and a lot of his income comes from commissions. In other words, the more he sells, the more money he makes. The company told him sales typically slow down from the holiday season until the beginning of the new year. He knows the truck payments will be pretty high. Should he take out a loan at the bank? What do you think?

Scenario 6: Sierra has wanted a dog, preferably a puppy, for a really long time. Her parents told her if she saved enough money she could get one from the local animal shelter. However, she just found out that puppies are much more expensive than a dog who is older. Sierra has a part-time job but hasn't saved up enough money for a puppy. She has a credit card with a high enough credit limit to purchase the puppy but it may take 3 or 4 months to pay for it. Should she buy the puppy and put it on her credit card? What do you think?

Who do you think has the strongest case for getting a loan? Why? Be prepared to defend your answer in the class discussion.
