

Spending Outside Your Budget

BUDGETING FOR CREDIT CARDS

If a credit card charge, made since the previous billing cycle, is paid in full when the bill arrives, no interest is added. On the other hand, if a new charge is not paid in full, interest is added monthly. For each person below, decide if charging is a sound idea and explain why.



NAME	PAYMENT PLAN	DESIRED ITEM	COST	INTEREST TO BE PAID	SOUND IDEA? EXPLAIN
Craig	pay the entire amount the first month	dinner for two at a nice restaurant	\$73	none	
Ceretta	pay it off in two months	one week vacation	\$800	\$8	
Richard	pay the entire amount the first month	groceries	\$65	none	
Sonia	pay the minimum each month	holiday sweater and pants	\$98	\$20	
Caitlin	pay the minimum each month	treadmill	\$550	\$135	
Emilio	pay the minimum each month	a used car	\$3,000	\$750	