**Personal Finance Webquest Research Paper**

**You may work in pairs to complete this project.**

**Part I:**

* Use the internet to answer the following questions in at least 2-3 sentences/bullet points each.
* Answer all questions directly on project on pupil path.
* Use and **properly cite** at least **two sources** per part.

**A) Living on your own**

**1)** What should you have financially in place for you to move out on your own?

**2)** What questions should you think about when looking for an apartment?

**3)** What is the difference between variable and fixed expenses?

**4)** What does it mean living paycheck to paycheck? Why is this not ideal?

**5)** What is good budgeting advice to live by yourself comfortably? (think credit score, savings, etc.)

**B) Taxes**

1. What are the differences between a W2, W4, 1040 and 1099 tax form?
2. What are dependents, deductions, allowances and tax credits? What can be used for each?
3. Why might people put a smaller amount of dependents/allowances on their W4 than they actually have?
4. Why might people hold additional income on their W4?
5. How has the new Trump Tax Plan affected how people do their taxes?
6. How are people in New York State affected by the Trump Tax Plan?

**C) Credit Score**

1. What is a credit score? Why is it important?
2. What is considered an excellent, good, bad credit score?
3. How is it calculated? What are the components of it? For each component: what is considered good/bad?
4. What is the consequence of a poor credit score?
5. How do you improve your credit score?

**D) Credit Cards**

1. What is an APR?
2. What is a grace period?
3. Why is it important to pay your full bill within the grace period?
4. What other hidden fees are associated with credit cards?
5. What criteria should you use in choosing a credit card?
6. What are some different types of rewards programs for credit cars?
7. What is a department store credit card? How is it different than a mainstream credit card? What are the positives and negatives of owning a department store card?
8. Choose one of the following companies: **Bank of America**, **Capital One**, **Chase**, **American Express** and **Discover**. Which of their credit cards is best for you? Extra Credit: Compare and contrast two or more of the companies: which has the best credit cards for you?

**E) Home owning**

1. What is a mortgage?
2. What is a pre-approval?
3. What percentage of the mortgage should the down payment be? Why?
4. What is an amortization schedule?
5. What is a PMI (private mortgage insurance)?
6. What fees/expenses besides the mortgage is involved in owning a home?
7. What should you financially have in place before you buy a home? (think credit score, savings, etc.)

**F) Banking and Saving**

1. What is the difference between a checking account, savings account and certificate of deposit?
2. Why is it important to have all 3?
3. What are strategies to save money? Offer specific advice.

**G) Life Insurance**

1. What is a premium?
2. What is the difference between Whole, Universal and Term Life Insurance? Which do you think is better? Why?
3. When should you get life insurance? When do you need to get life insurance?
4. How much life insurance coverage do you need?
5. How are life insurance costs calculated?

**H) Legal Documents**

1. What is a Will? When should you make one?
2. What is an Estate Plan? When should you get one?
3. What is a Pre-Nuptial agreement? What does it do? What does it not do? Should people get it?

**I) Cars:**

1. What is the difference between leasing and buying?
2. What are the advantages and disadvantages of each?
3. What is the minimum car insurance you must have in NYS?
4. What raises and lowers your car insurance?
5. Choose a car you want to buy in the next ten years – identify the lease and purchase payment differences.
6. What are other maintenance costs of owning a car?

**J) Marriage and Kids**

1. What are the financial advantages and disadvantages of being married?
2. What is the marriage tax penalty?
3. How much does it cost raise a child in New York City? What are the main financial expenditures associated with raising a child? Per Year? Cumulative until they turn 18?
4. Compare and contrast a 529 Plan and an UGMA for saving money for your kids’ college. Which is the better option? Explain.

**K) Health Insurance**

1. Why is having a comprehensive health insurance plan important?
2. What type of health insurance plans are there?
3. Go to the NY “State of Health” website and choose a health insurance option. Why did you select this coverage?

**L) Retirement funds**

1. Define: IRA, Roth IRA and 401K. What are advantages and disadvantages of each?
2. When should you begin investing for retirement? Why?
3. How much of your salary should you put toward retirement, why?

**M) (extra credit) Investment options:**

**For each of the following:**

**penny stock**, **common stock**, **bonds**, **mutual funds**, **exchange traded fund (ETF)**, **Unit Investment Trust (UIT)**

a) define them in two-three sentences

b) how is money made off each of them and are there any associated costs to owning one?

c) explain how each is unique/the main differences between them

d) explain how you choose which is the best one?

e) explain the advantages and disadvantages of investing in each?

f) rank them in order of what you think is the safest investment to the most riskiest investment. g) Do you think one of or more of these options are right for you? Why? If you don’t want to invest

based on what you read, why not?

h) If you did choose to invest, what kind of plan could you make for yourself to invest?

**Part II: Create 10 general “Personal Finance Commandments” based on all of the above parts of the project**

**Part III: Personal Finance Pamphlet:**

**Choose a section from above. For that section:**

1) Create a personal finance pamphlet giving brief information and advice for 18 year olds.

2) Your pamphlet should briefly and concisely summarize the main ideas of your section.

3) Your pamphlet should be in **bi-fold** or **tri-fold format.**

4) Include important websites that students can use to further their knowledge of your topic.

5) Be Creative.