

FINANCIAL ALGEBRA:

“A field trip from cover to cover”

USING THE “REALITY CHECK” PROJECTS

General Teaching Tips and Information about the “Reality Check” Projects

- Each of the ten end-of-chapter assessments includes a feature called “Reality Check.” These are projects that the students do outside of classroom instructional time.
- They can be assigned however the teacher sees fit. Students can be required to complete one or two per chapter. Optional projects can be offered for extra credit.
- The projects are long-term assignments, since they involve research, visual presentations, and/or field work. Students can be given a few weeks to complete them. Therefore, they should be addressed in advance, usually at the beginning of each chapter. In some cases, the students can start they projects immediately, without waiting for the chapter to be completed. In other cases, they need to learn certain material before undertaking the projects. By assigning them in advance, students who need to wait to start the projects can at least allocate the time they will need to complete the projects.
- Many of the projects require students to get out into the community—they are pricing a car, a funeral, comparing loans at different banks, etc. For each person they visit they need to get a business card.
- When the project is handed in, a thank-you letter in an unsealed, stamped envelope must be turned in as well. You can check the letter before mailing it, and have the student revise it if necessary. Many students do not even know the correct form for writing a letter! The

letters are more personal than an e-mail or a text message, which often go unnoticed since most business people get dozens, if not hundreds, per day. They help maintain good relations with the community. This will foster a positive school-community relationship which will be an advantage to students doing projects in the future. We are also teaching them manners and common courtesy.

- Some of the projects require students to make a PowerPoint or tri-fold presentation. Teach the students how to prepare quality, academic-looking visual presentations. Make sure they are spending time on substance, rather than style and glitz. The excessive use of random color, designs, busy backdrops, clip art, etc., often detracts from the intended delivery of the message, and students should learn to keep their presentations professional-looking. Students have shown tremendous discretion when this is pointed out to them. It's also more challenging to be creative with art and pictures than just arbitrary.
- There is tremendous flexibility in every aspect of the projects. You can "guide" students through some of the projects by giving out sheets which they can fill in as part of the project. Some of those sheets are attached and we will discuss them today. You can teach students to organize their thoughts by having them do the projects without any of the guide sheets, or you can use a combination of the two methods. If you would like an electronic Word file of these forms, contact Rob Gerver at rgerver@optonline.net.

Chapter 5 Reality Check: Price a New Car (Page 282, #1)

Name and address of dealership:

List the options and standard equipment for your car. If there is a separate charge for the item, list it. If it is included in the price, write 'included.'

Make, model and year of car:

Price of car \$ _____

Sales tax \$ _____

Total cost \$ _____

Down payment \$ _____

Amount to finance \$ _____

Attach business card here

OPTION	COST

Chapter 5 Reality Check: Pricing Auto Insurance (Page 282, #2)

For this project, you are going to price insurance for the car you picked out in Reality Check project #1. In the following table, include the premium for each type of insurance you select. Fill in any optional insurance on the last lines of the table.

TYPE OF INSURANCE (give limits of coverage* or deductible**)	ANNUAL PREMIUM	SEMI-ANNUAL PREMIUM	MONTHLY COST
Bodily Injury Liability*			
Personal Injury Protection (No-fault)*			
Property Damage Liability*			
Uninsured/Underinsured Motorist Protection*			
Comprehensive**			
Collision**			
Emergency Road Service			

Find the monthly cost of doubling your coverage for Personal Injury Protection. _____

Find the annual savings if you double your deductibles for comprehensive and collision. _____

List the discounts your insurance agent offers, such as driver training, defensive driving course completion, accident-free savings, multi-car discount, or good student discount.

_____, _____,

_____, _____,

_____, _____.

Attach business card here

Chapters 4 and 5 Reality Check: Comparing Car Loans

This project combines the loan project from Chapter 4 (page 211, #2) with the auto theme from chapter 5. After students price the car and insurance for the car, they can comparison shop loans for the car at two different lending institutions in their area.

Name and address of Lending Institution 1:

Type of lending institution. _____

Name and address of Lending Institution 2:

Type of lending institution. _____

	LENDING INSTITUTION 1	LENDING INSTITUTION 2
Amount financed		
APR		
Length of loan		
Monthly payment		
Total of all monthly payments		
Finance charge		

Attach business card here

Attach business card here

Chapter 10 Reality Check: Store-Brand Savings (Page 521, #6)

For this project you are going to go to one supermarket that offers nationally-advertised brands and store-brand items. You are going to pick 30 items your household normally uses. These must be packaged items that are offered as store brands and nationally-advertised brands in the exact same size. Do not use meat or produce.

Name and address of store. _____

1. List the 30 items in a table with the column headings shown, and give the price for each in your table.

ITEM DESCRIPTION WITH SIZE (WEIGHT OR VOLUME)	NATIONALLY- ADVERTISED BRAND	NATIONALLY- ADVERTISED BRAND'S COST	STORE- BRAND COST
TOTAL WEEKLY COST OF ALL 30 ITEMS			

2. Assume these 30 items are purchased weekly. Find the annual savings if the store brand is purchased as opposed to the nationally-advertised brand every week. _____

3. Pick one of the items that you would like to taste test. Purchase the store brand and the nationally-advertised brand. Conduct a blind taste test on friends or members of your family. Report the findings.

Chapter 10 Reality Check: Comparison Grocery Shopping
(Page 521, #8)

For this project you are going to go to two supermarkets that offer nationally-advertised brands. You are going to pick 30 items your household normally uses. These must be packaged items that are offered as nationally-advertised brands. Do not use meat or produce.

Name and address of Store A. _____

Name and address of Store B. _____

Bring a clipboard. When you go to the first store, price 40 items, just in case some of the items are not available at the second store!

1. List the 30 items in a table with the column headings shown, and give the price for each in your table.

ITEM DESCRIPTION WITH SIZE AND BRAND NAME	COST IN STORE A	COST IN STORE B
TOTAL WEEKLY COST OF ALL 30 ITEMS		

Assume these 30 items are purchased weekly. Find the annual savings if the store with the lowest total weekly cost is compared to the other store. _____

What are the percent savings when the less expensive store is compared to the more expensive store? Round to the nearest percent. _____

Would the **annual** dollar savings from using the less expensive store pay for a **week's** worth of the 30 items you picked? _____

Chapter 10 Reality Check: Home Inventory (Page 521, #7)

For this project, you are going to create a scrapbook or electronic file of valuable items in your home. This will be of tremendous value if you ever need to make an insurance claim due to fire, theft, or other casualty.

Remember that everything in a household is valuable. Electronic equipment, musical instruments, jewelry, cameras and sporting equipment are traditionally thought of as valuables. You may not typically think of pots and pans and clothing as valuables, but they are for insurance purposes.

1. Read the description of Reality Check project # 7 on page 521.
2. Discuss the project with your parent or guardian.
3. Take the appropriate photos.
4. Scan or copy the appropriate receipts.
5. Put the book or file together.
6. Fill in a table with the following headings. Make the table as long as it has to be by adding as many lines as you need. The table will serve as the first page of your project.

COMPLETE ITEM DESCRIPTION WITH SIZE, BRAND NAME, CONDITION	MARKET VALUE
TOTAL VALUE	

7. When completed, your project should be stored safely, so it is available even if there is a casualty involving fire, flood damage, or theft.
8. Have your parent or guardian discuss the project with your insurance agent to make sure you have appropriate coverage for the items.
9. Each time you purchase a new item, add it to the project to keep it current.
10. If any items are collectible and appreciate in value, consider having them appraised so their true worth can be correctly determined.

Chapter 1 Reality Check: Charting a Stock (Page 57, #1)

For this project you will be choosing a corporation to follow for three weeks. You should choose a corporation in an industry in which you have specific interest.

Corporation name _____

Address of corporate headquarters _____

Website address _____

1. Read Reality Check project #1 on page 57.
2. Find out the corporation's website address.
3. Visit the website and prepare a report on any major news found on the website.
4. Follow the stock activity of the corporation each trading day for the next three weeks. Use the table headings below to create your table.

DATE	VOLUME (in thousands)	OPEN	HIGH	LOW	CLOSE	NET CHANGE

5. Prepare a graph using the techniques shown in section 1-3.
6. Prepare a graph of the five-day moving averages as shown in section 1-4.
7. Compile your website report and your graph into a presentation.

Chapter 3 Reality Check: Banking Services (Page 167, #5)

For this project you will be visiting two local banks to compare their fees and services. Be sure to get a business card from each representative you speak to.

Name of Bank A _____

Address of Bank A _____

Name of Bank B _____

Address of Bank B _____

1. Read Reality Check project #5 on page 167.
2. Speak to a bank representative about the different accounts and banking services they offer, and fees or minimum balance requirement associated with each service.
3. Use the headings of the following table to compile your information.

BANKING SERVICE or TYPE OF ACCOUNT	BANK A		BANK B	
	Fee	Minimum Balance	Fee	Minimum Balance

4. Compile your information and discuss your findings in a tri-fold presentation that includes brochures from each of the banks.

Attach business card here

Attach business card here

Chapter 4 Reality Check: Lending Institutions (Page 211, #2)

For this project you will be visiting two lending institutions to compare their rates for loans. Be sure to get a business card from each representative you speak to.

Name of lending institution A _____

Type of lending institution _____

Address of lending institution A _____

Name of lending institution B _____

Type of lending institution _____

Address of lending institution B _____

1. Read Reality Check project #2 on page 211.
2. Use the following table to organize the information required for the project.

	LENDING INSTITUTION 1	LENDING INSTITUTION 2
Amount financed		
APR		
Length of loan		
Monthly payment		
Total of all monthly payments		
Finance charge		

Attach business card here

Attach business card here

Chapter 6 Reality Check: Incredible Rates of Pay (Page 322, #9)

For this project you will be using the Internet and/or a library to research earnings of famous, high-profile people. You are going to compute the amount of money they earned in a specific year, and break it down several ways according to their profession. For example, you could compute a baseball player's salary per inning, per game, per pitch, per week, etc. In some cases, salaries may be annual. In other cases, they may be similar to piecework. For example, a movie star could receive a flat salary for an entire movie, which could take months to complete. A rock star's earnings could be from many sources—radio play, CD royalties, concert, etc.

Pick ten people and find out their earnings for a specific year. Then pick a unit that makes sense for that person's industry, and compute their salary per unit. The headings in the following table may help you.

Person	Occupation or Field	Year	Earnings	Units	Number of Units In That Year	Earnings per Unit

Visit your town's website and see if you can find the salary of a mayor, firefighter, teacher, policeman, etc. Compare their salaries to the salaries you researched for the celebrities.

Prepare a report on your findings.

Chapter 6 Reality Check: Salaries (Page 322, #5)

For this project you will be using the Internet and/or a newspaper to research earnings in certain professions.

1. Read the Reality Check project #5 on page 322.
2. Find 20 classified for jobs in a specific profession.
3. Translate each ad into full sentences.
4. Use the headings of the following table to report information on the salaries.

OCCUPATION/JOB DESCRIPTION	SALARY AS LISTED IN CLASSIFIED AD	ANNUAL GROSS SALARY	MONTHLY GROSS SALARY	WEEKLY GROSS SALARY

5. Find the classified ad rates for the publications in which you found your ads.

SOURCE	CLASSIFIED AD PRICE STRUCTURE

Chapter 8 Reality Check: Mortgage Interest (Page 430, #3)

For this project you will be computing the interest on a mortgage.

1. You need to find a mortgage calculator on the Internet. There are many available.
2. Use the Internet or a newspaper to find a typical average interest rate for a mortgage.
3. Use the classified ads to find the costs of different types of homes in your area. Find the cost of a low-end home, a high-end home, and an average home.
4. Assume there is a \$50,000 down payment for each home. Use the table headings below to organize information about mortgages on these homes.

TYPE OF HOME	AMOUNT FINANCED	MONTHLY PAYMENT FOR 15-YEAR LOAN	TOTAL PAYMENTS FOR 15-YEAR LOAN	INTEREST FOR 15-YEAR LOAN

TYPE OF HOME	AMOUNT FINANCED	MONTHLY PAYMENT FOR 30-YEAR LOAN	TOTAL PAYMENTS FOR 30-YEAR LOAN	INTEREST FOR 30-YEAR LOAN

5. Compare the interest for the 15- and 30-year loans. Compare the monthly payments. Comment on your findings.

Chapter 9 Reality Check: Funeral Expenses (Page 473, #3)

1. Read the Reality Check project #3 on page 473.
2. Visit a local funeral parlor and discuss with a representative the cost of a funeral.
Include a business card.

Name of funeral parlor _____

Address _____

3. Organize your information into a table in which you describe the different services and what they cost.

SERVICE AND DESCRIPTION	COST

4. Comment on the advantages of discussing these options and expenses with your loved ones in advance.

Attach business card here

Chapter 7 Reality Check: Itemized Deductions (Page 377, #2)

1. Read the Reality Check project #2 on page 377.
2. Go on to the Internal Revenue Service website (www.irs.gov) and download a copy of Form 1040-Schedule A from this website.
3. On the IRS website, search for Publication 17: Your Federal Income Tax. This publication is too lengthy to download and print, so use it online.
4. Look for the itemized deductions and Schedule A section of Publication 17. You are going to pick some examples from each type of deduction on Schedule A.
5. Read through the examples and lists to see what expenses are deductible and which ones are not. Find 20 examples to include in your report. Summarize your findings in a table like the one below.

SCHEDULE A CATEGORY	EXAMPLE OF EXPENSE	IS IT TAX-DEDUCTIBLE?

6. Comment on one of the example you found that you disagree with, and explain why you disagree.

Optional Reality Check: Price Your Wedding

You can add any projects that you think of to the projects already found in the book. Here is an example of one.

For this project, you are going to list all of the items you need to plan your own custom wedding, and find out the cost of each.

- You will be visiting a photographer, catering hall, florist, music agency, limousine service, etc. Get the name and address of each place you visit. Include a business card from each person you speak to.
- Decide on the number of people you will be inviting. _____
- Consult with a representative at each place you visit, and decide on exactly what you want, so you can get a cost for each expense.
- Compile your information into a table such as the one shown below.

SERVICE	PROVIDER	TOTAL COST

What is the total coast of this wedding? _____

Attach business card here

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