Roth IRAs for Working Kids

Jack is a 4-Her who won the XYZ Livestock Show in 2009. His animal sold for $9,000 and his expenses are $4,000. After the livestock show, Jack spent $2,500 of his prize money to buy a computer system. Jack’s parents want him to put the maximum amount away for long term investment and will help if needed. What investment account would be the best for Jack?

1. ABC Bank
   Investment Account - Roth IRA
   Term - 36 months
   Minimum Balance - $1,000.00
   Annual Percentage Yield - 1.87%

2. STU Bank
   Investment Account - Roth IRA
   Term - 36 months
   Minimum Balance - $3,000.00
   Annual Percentage Yield - 2.5%

3. DCB Bank
   Investment Account - Roth IRA
   Term - 36 months
   Minimum Balance - $1,500.00
   Annual Percentage Yield - 1.61%

4. XYZ Bank
   Investment Account - IRA Certificate
   Term - 36 months
   Minimum Balance - $2,000.00
   Annual Percentage Yield - 2.17%
Roth IRAs for Working Kids

I placed this class of Roth IRAs for Working Kids, 2 - 1 - 3 - 4.

Jack had income of $9,000, with $4,000 of expenses for his animal which leaves an earned income of $5,000. Because he is under 50 years of age, his maximum contribution for a Roth IRA for Working Kids is $5,000. Jack has spent $2,500 of his earned income, but his parents can give him the $2,500 so he can make his maximum investment of $5,000.

I placed 2 over 1 because 2 has a higher Annual Percentage Yield of 2.5% and he has over the minimum opening balance amount to invest. They are both Roth IRA Accounts.

I placed 1 over 3 because 1 has a higher Annual Percentage Yield of 1.87% and he has over the minimum opening balance amount to invest. They are both Roth IRA Accounts.

I placed 3 over 4. Granted 4 has a higher Annual Percentage Yield of 2.17%, I criticize that it is a regular IRA Account and would not offer the tax free withdrawal during retirement. 3 is a Roth IRA Account.

I placed 4 last because it is a regular IRA Certificate of Deposit account.

Therefore I placed this class of Roth IRAs for Working Kids 2 - 1 - 3 - 4.
Kim is wanting to get a credit card that she will only be charging expenses on for her new hobby of quilting. She is wanting a card that has a low introductory annual percentage rate because she will be making several large purchases in the beginning with the card because she will be purchasing equipment, material and whatever else is needed to start quilting.

<table>
<thead>
<tr>
<th>Card Name</th>
<th>Intro APR</th>
<th>Intro Period</th>
<th>Regular APR</th>
<th>Annual Fee</th>
<th>Balance Transfer Fee</th>
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<tbody>
<tr>
<td>Discover</td>
<td>2.00%</td>
<td>6 months</td>
<td>17.89%</td>
<td>$0</td>
<td>Yes</td>
</tr>
<tr>
<td>MasterCard</td>
<td>0%</td>
<td>8 months</td>
<td>16.00%</td>
<td>$10</td>
<td>No</td>
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<tr>
<td>Visa</td>
<td>0%</td>
<td>8 months</td>
<td>14.50%</td>
<td>$0</td>
<td>Yes</td>
</tr>
<tr>
<td>American Express</td>
<td>0%</td>
<td>6 months</td>
<td>14.50%</td>
<td>$0</td>
<td>No</td>
</tr>
</tbody>
</table>
**Gift & Prepaid Credit Cards**

Mrs. Davidson wants to buy her daughter Mollie a gift card for Valentine’s Day. Mollie likes to hang out at the mall with her friends and jam out on her iPod. Mrs. Davidson wants to get her a gift card she can use at multiple stores and can also check the balance on. Mollie also needs a gift card that can be reloaded whenever she runs out of money.

**#1 Bank FREEDOM MasterCard**
- Free balance alerts to your email or sent by text message.
- Can be used for online shopping and retail shopping
- Can be replaced for free if lost or stolen
- Has no expiration date and can be reloaded

**#2 Multi Option Gift Card**
- Can be used only at Old Navy, Banana Republic and Piperlime.com
- Can be used online or at the store
- Can be reloaded
- Has no expiration date

**#3 American Express Card**
- $2.00 service fee after 12 months
- There is an expiration date of 24 months
- $3.95 fee per card plus additional shipping fee if gift card is purchased online
- Not a credit, charge, or debit card

**#4 iTunes Gift Card**
- Can only be used on www.itunes.com
- Available from $10.00 to $100.00 in any denomination
- No expiration date
- Can be used for iTunes downloads, movies, or apps
BUYING USED CARS

Hunter is a graduating senior and will be going off to college. He would like a pickup truck because he likes to rodeo on the weekends. His dad is very concerned about safety and theft features. Hunter wants the best buy and wants to compare the dealership prices to the Kelly Blue Book value. Hunter has $9,500 to spend.
#1

2003 FORD F-150 XL
Mileage: 93,105 miles

$6,988

VIN:1FTRF17243NA46845
Stock Number:100338A
Engine:6 Cyl
Transmission:Automatic
Drive:2WD
Body:Pickup
Fuel:Gasoline
MPG:City 14/Hwy 17
Blue Book® Suggested Retail Value: $7,375

#2

**2003 FORD F-150 LARIAT**
Mileage: 225,927 miles

$8,150

VIN:1FTRW07L73KD51860
Stock Number:2100821A
Engine:8 Cyl
Transmission:Automatic
Drive:2WD
Body:Pickup
Exterior Color: Green
Interior Color: Tan
Fuel:Gasoline
MPG:City 11/Hwy 14

Blue Book® Suggested Retail Value: **$6,300**

Installed Features: Adjustable Pedals, CD, Cruise Control, Leather Steering Wheel, Power Windows, Privacy Glass, Tachometer, Thermometer, Tinted Windows, Warranty
#3

2001 TOYOTA TUNDRA SR5

Mileage: 63,739 miles

$9,488

VIN:5TBRT34171S189109

Engine: 8 Cyl
Transmission: Automatic
Drive: 2WD
Body: Pickup
Exterior Color: Gray
Interior Color: Gray
Fuel: Gasoline

MPG: City 13/Hwy 16

Blue Book® Suggested Retail Value: $6,500

Installed Features: Air Bags, Anti-lock Brakes, Adjustable Steering Wheel, Air Conditioning, Cup Holder, Intermittent Wipers, Power Outlet, Split/Folding Seats, Tachometer, Vanity Mirror/Light
2002 TOYOTA TUNDRA SR5
Mileage: 99,024 miles
$9,950

VIN: 5TBRT34172S259676
Stock Number: 2S259676
Engine: 8 Cyl
Transmission: Automatic
Drive: 2WD
Body: Pickup
Exterior Color: Gold
Interior Color: Tan
Fuel: Gasoline
MPG: City 13/Hwy 16
Blue Book® Suggested Retail Value: $6,075
Installed Features: Adjustable Steering Wheel, Air Conditioning, CD, Cassette, Cruise Control
Senior Gold Jewelry

Karen is wanting to buy a pair of gold hoop earrings. She has long hair so she is wanting a larger hoop so that they can be seen, since this is her first real jewelry purchase. She has a budget of $150, but is more concerned about quality.
Kayla is a 4-Her who received $215 dollars from various family members for her birthday. She wants to purchase a digital photo frame to hang in her room. Her digital camera has an SD card and it would be easier for her to put the card into the frame rather than download from her computer. Kayla would also like to be able to save some of her favorite photos to the frame and she would like for it to have a good warranty to make sure the frame lasts. Which frame is the best option for Kayla to spend her birthday money on?

1. Motorola LS1000B 10” HD Photo Frame - Black
   - MP3 Compatible: Yes
   - Built-in Speakers: Yes
   - Built-in Memory: 512 MB
   - Memory Card Slot: SD, MMC, MS
   - USB Compatible: Yes 2.0
   - Remote Control: Yes
   - Wall Mountable: Yes
   - Warranty: 1 Year
   - Price: $149.00

2. Smartparts 15” Digital Picture Frame - Espresso
   - MP3 Compatible: No
   - Built-in Speakers: Yes
   - Built-in Memory: 256 MB
   - Memory Card Slot: None
   - USB Compatible: Yes 2.0
   - Remote Control: Yes
   - Wall Mountable: Yes
   - Warranty: 90 Day
   - Price: $169.99

3. Pandigital 15” Digital Photo Frame - Espresso
   - MP3 Compatible: Yes
   - Built-in Speakers: Yes
   - Built-in Memory: 2GB
   - Memory Card Slot: 6-in-1 Card reader (CF, SD, MS, MS-PRO, MMC, XD)
   - USB Compatible: Yes
   - Remote Control: Yes
   - Wall Mountable: Yes
   - Warranty: 1 Year
   - Price: $189.00

4. HP 12.1” LCD Digital Photo Frame – Mahogany
   - MP3 Compatible: Yes
   - Built-in Speakers: Yes
   - Built-in Memory: 128 MB
   - Memory Card Slot: CF, MS, MS-Pro, MMC, SD and XD
   - USB Compatible: Yes
   - Remote Control: Yes
   - Wall Mountable: Yes
   - Warranty: 1 Year
   - Price: $199.99