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Dear Parents/Guardians of students entering Calculus A

This summer your child will have the opportunity to reverse summer learning loss and to build a strong foundation in Real World Mathematics Application grounded in Financial Literacy. He or she will also have the opportunity to earn up to ten extra credit points on the first mathematics test of the 2021-2022 school year.

Note: The assignment is attached to this letter. In order to receive credit, students must show ALL work and turn it in to their teacher by September 22, 2021.

Also, please do not wait until the end of summer to begin these skills.

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It is a very big decision to become a first-time homeowner. There are many things that need to be considered. Three important factors are the price of a home, mortgage interest rates and a person's salary. In this project, we will look up current values for these three factors. We will see how current interest rates affect the mortgage a person can afford.

Part 1: Shop for a House

Use <http://www.realtor.com> to shop for a home in the city you chose. Make sure you do not use a rental property because you are buying a home. Fill in the table below and print the home listing from realtor.com so you can reference it later on if needed.

City/State	Square Footage	Total Price of Home	Bedrooms	Bathrooms	Features

Part 2: Shop for a Mortgage

Credit Score:

What is a credit score and what are the different ranges of credit scores?

How do you earn a good credit score?

How do you earn a poor credit score?

Use <http://www.bankrate.com/brm/mortgage-calculator.asp> to calculate the cost of a 15 and 30 year fixed mortgage for your home. Fill in the table below.

	Loan Length 15 year fixed mortgage	Loan Length 30 year fixed mortgage
Price of Home		
Down payment (20%)		
Credit Score (your choice)		
Property Tax (found on your realtor site)		
Homeowners Insurance (look up average homeowners insurance cost by state)		
Home Owners Fee		
Total Monthly Payment		
**Total Paid Back to the Bank (principal + interest)		

****How to figure out the Total Paid back to the bank:**

Total Monthly Payment x 180 months (15 years)

Total Monthly Payment x 360 months (30 years)

Part 3: Affordability/Career Exploration

How much money do you need to earn each month to afford your home? What career would provide you with enough income to afford your home?

Follow these directions to explore careers that interest you.

1. In the URL type: www.bls.gov
2. Click on the "Students" link
3. Click on the "Student Resources" link
4. Click on the "Career Exploration" link
5. Choose a topic that interests you and explore the career options available.

Search careers until you find one that interests you and complete the career worksheet provided to you using the information found on the website.

- What career would you like to pursue when you graduate?

- What is the average yearly salary for someone in this career?

- What would your monthly income be? To find this, divide your yearly salary by 12.

Use your monthly income to create a monthly budget for yourself. Fill in the appropriate information on the chart below.

<u>Category</u>	<u>Percentage</u>	<u>Calculated Amount</u>
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Savings	10% of monthly income (0.10 X income)	
Housing	25% of monthly income (0.25 X income)	
Transportation	10% of monthly income (0.1 X income)	
Food	15% of monthly income (0.15 X income)	
Utilities (electricity, TV, internet, etc.)	20% of monthly income (0.2 X income)	
Clothing	5% of monthly income (0.05 X income)	
Personal Expenses (any extra "fun" stuff)	5% of monthly income (0.05 X income)	
Entertainment	5% of monthly income (0.05 X income)	
Charity	2% of monthly income (0.02 X income)	
Rainy Day Fund	3% of monthly income (0.03 X income)	