

1 Analog to Digital: the Switch is on

Julie's aunt and uncle want her to come for a visit in the country for the summer. She discovered that they do not have cable or satellite connection and have an older model TV. They were unaware of the switch from analog to digital so she plans to bring along information to help them make the switch. They will need a converter box for the TV and plan to request a \$40 coupon toward the purchase of a digital-to analog converter box. Which of the following would best suit the needs of her relatives?

Placing:

3	2	4	1
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Cuts: 11

1

4

6

#3 Zenith

- Overall package includes more items and features than #2
- Offers more remote control options than #2
- NTIA coupon eligible

2 Magnivox

- Less expensive than # 3, but had fewer remote control options
- Meets NTIA coupon eligibility
- Better price than number 4 or 1

4 Radio Shack

- More expensive than # 2
- Describes fewer features (does not say it has 480i tuner)
- Is not NTIA coupon eligible

#1 Air Vision

- Over priced for needs

Not NTIA coupon

2 Credit Cards

Marcus is 18 years old, just graduated from high school, and will be attending Texas A&M in the fall. He and his mother have been researching credit cards and he plans to apply for a card once he enrolls at A&M. He does not currently have one. He plans to use his card for purchases and cash advances. He has a tendency to miss deadlines. Which credit card would you recommend to Marcus?

Placing:	1	2	3	4
Cuts: 8	2	4	2	

#1 American Express

- Lowest late fees
- Lowest default APR (both important given his tendency to miss dealines.
- Longer grace period than #2

2 Citi Platinum Select

- APR lower than number # but higher late fees
- Higher default APR
- Marcus must wait to apply until after he is enrolled to apply

3 Capital One

- Has lower default rate than # 4
- Rates only change quarterly

#4 Discover

- Very high cash advance and default APRs
- Lower minimum cash advance fee than # 3
- But will not know APR until after he applies
- Longest time frame for 0% APR

3 Emergency Radios

Ms. Lester wants to tell her 5th period class about emergency preparedness. She would like to demonstrate the best type of emergency radio to have on hand in case of various disasters including: tornados, hurricanes, and earthquakes. She specifically wanted to receive NOAA channels on the radio. On a budget of \$65, which radio would be the best choice for such disasters?

Placing:	1	3	2	4
Cuts: 10	2	5	3	

1 FR405 American Red Cross

- Very close to the # 3 but includes an adaptor which is not included in # 3.
- Is water proof - # 3 does not mention this.
- Price id higher than # 3 but not excessively so.
- Meets criteria, especially NOAA.

3 FR300 American Red Cross

- Meets NOAA criteria, but does not have an AC adaptor included – would cost extra to buy AC adaptor.
- Does not tell how much power time is obtained from hand cranking.
- NOAA capable.

2 Radio Shack Dynamo

- Represents good value for the money.
- Includes cell phone charger and other features.
- Does not mention NOAA capability.

4 Innovage Outdoor Emergency/Flashlight Set

- Would be good for minor emergency use – not extended use.
- Does not mention NOAA specifically, even thought it mentions weather bands.
- Does not contain a rechargeable battery once used up.

#4 Compact Florescent Bulbs

When Isabella’s mom learned that electric lighting can consume as much as 25% of the average home energy budget she looked for ways to decrease the monthly electric bill. Isabella discovered that fluorescent bulbs were much more energy efficient; and wants to start replacing her 60 to 100 watt incandescent bulbs beginning with the living and dining room lamps where they need soft white light. Which of the fluorescent bulbs would be most cost effective and energy efficient in meeting mom’s needs?

Placing:

Cuts: 14

3	1	4	2
3	6	5	

#3 Sylvania Soft White Super-mini 100 Watt

- Lowest unit price when you buy 3
- Mom wants to replace several so package price is a deal
- 100 watt fits mom’s 6-100 watt criteria
- Soft whit fits mom’s criteria
- Lon lasting (9 years – 10,000 hrs.

#1 Sylvania Soft White mini 60 Watt

- Higher cost than # 3
- Lower cost than # 4
- Lower life expectancy (7 yrs. – 8000 hrs.) than number 3
- Energy use is more efficient, but output is less lumens. Would be okay for general lighting but not as good for reading.
- Meets “soft white” criteria

4 Sylvania Super mini Full Spectrum color 100 Watt

- Very Expensive compared to others
- “Full spectrum” color light bulb is overkill and not the “soft white” mom wanted
- Good but expensive and would be more costly to replace multiple lights throughout the house

2 Sylvania Super-mini 40 Watt (lasts 20% longer)

- Does not meet the “soft white” criteria
- Does not meet wattage requirement
- More expensive than # 3

5 Printing Digital Photos

Javier has a new digital camera and wants to pick an online photo printing service where he has the choice of picking up his photos at a local store to save money. Javier prefers the option of storing and editing his photos on-line for free. Today he is planning to order 40 4x6 photos, two 8 x 10's, and one 20x 30. He wants to pick them up at a local store for the lowest price possible. Which of the following online services should he pick?

Placing:

Cuts: 7

3	1	4	2
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3

2

2

#3 CVS/pharmacy Photo Center

- All meet Javier's criteria of picking up prints local store, and ordering online, as well as free online storage and online editing
- Major consideration is cost and # 3 offers best value
- # 3 also offers a lower unit cost for same day pickup of 4x6 prints (.12)

#1 Walgreens

- Offers low 4x6 mail delivery prices at .12
- But, the pickup price is higher at .19 for 4x6's than # 3.
- 20x 30 enlargement is \$6.00 more than # 3

4 (Kodak)

- offers 4x6 for .15, where # 2 offers 4x6 at .19 each

2 (Shutterfly)

- Both # 4 and # 2 offer their 20 x 30 enlargements at more expensive prices than #3 and #1

#6 Roth IRAs for Working Kids

Cory opened a Roth IRA before April 15, 2008, based on earnings from working for the *A-Best Lawn Service Company*. His W-2 showed his gross earnings were \$1500 in 2007. He would have earned more but a lot of his time is taken up studying about the computer industry. He could have invested the whole \$1500 in a Roth IRA, but he had to save half of his money for college. He also had other expenses of \$500 but he could put the rest in a Roth. His mother and his grandfather *each* said they would match his amount dollar for dollar so he could put away more while he was young. He took them up on this offer! What recommendations would you give him about WHERE to save/invest his money?

#6 Roth IRAs for Working Kids

3	1	2	4
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4

2

6

#3 – Index Mutual Fund

- Provides a “diversified” investment – not like putting “all your chickens in one basket” where there could be greater risk.
- Current low value of the shares means you are getting them “on sale” and when the share value goes up, the total value of the investment will go up.
- Cory has just enough money (\$750 which comes from his \$250, his mother’s \$250 and his grandfather’s \$250) to meet the minimum requirement.
- It introduces him to the world of investing without taking big risks.
- He has a long time horizon and his investment will grow nicely for a long time even though there are apt to be market ups and downs over many decades.

#1 – One-year Certificate of Deposit

- Convenience is the big factor, especially if he is waiting until the April 15th deadline to open the Roth IRA.
- His money is insured so his savings are safe even though the money may grow more slowly.

#2 – Money Market Account with Investment Company

- Very low rate of return.
- Not insured but still probably safe enough.
- Annual fee will reduce the overall return.

#4 - Stock in Computer Company XYZ

- Not a good idea to risk all your money in a start-up company with no track record unless you can afford to lose everything you have invested.
- Cory has never invested before.
- The 3% is a steep commission – there are less expensive ways to buy shares of stock – he probably needs to shop around for a less expensive way.

7 Sun Protective Clothing

Eighteen year old Emma and her family are going to an outdoor major league baseball game during their summer vacation. Her fair skinned grandmother is recovering from Melanoma so they are all aware of the danger of overexposure to the sun. Emma wants to purchase a shirt for herself that will block the sun from absorbing through her clothes. Which shirt would be the best choice for her?

Placing:	4	1	2	3
Cuts: 7	2	1	4	

4 Magellan Sportswear: Navy Blue/button down

- #4 is ranked best because of highest UPF rating of 50+ (excellent)
- Is a great price at \$14.99
- Short sleeves are a imitation but sunscreen can be used on arms or long sleeved shirt can be worn underneath.

#1 Magellan Sportswear: Peach/button down

- Good price
- Long sleeves but 30+ UPF versus # 4 50+ UPF
- Dark color provides better protection

2 Columbia Brown/T shirt Washed in Sun Guard with 30 UPF

- Good choice, economical
- Dark color, but does not have the 50+ UPF # 4
- More maintenance to wash in Sun Guard and a bit more expensive than # 1

#3 Columbia White/button down

- Ranked last because of the light color and highest cost
- White is not considered the best color choice to protect against UV radiation

#8 – College Meal Plans (Mystery Class)

Jerry will be a freshman at Texas A&M this fall. He will be living in a dorm. He's been comparing fall semester meal plans after finding out there are more than 40 places to get food on campus!

His mother thinks he should get the 210 Plan, which would give him 14 meals a week plus \$125 "Dining Dollars." "Dining Dollars" would let him buy food from all over campus. Jerry's oldest sister Amy went to Texas Tech a few years back and told him she didn't eat on campus all that much.

Jerry has a truck for personal transportation so he can see himself eating at local restaurants that were not available in his home town. But he's also worried that gas costs are continuing to climb, so every trip around Bryan-College Station will be burning money as he visits different restaurants. Jerry likes intramural sports and is a pretty big eater.

Which food plan would you recommend to him?

#8 – College Meal Plans

2	1	3	4
2	3	6	

#2 – 150 meals/\$150 Dining Dollars Plan

- Good compromise – meals plus flexible spending at other food-facilities on campus.
- Average meal cost is \$5.77
- With 10 meals per week and \$150 to spend, could run out of money, but this could happen with any of the plans.
- Likely to eat fewer meals in restaurants, thus saving gasoline dollars.

#1 – 210 meals/\$125 Dining Dollars Plan

- The one Mom prefers.
- Slightly less flexible than #2 plan.

#3 – 105 meals/\$200 Dining Dollars Plan

- Only 7 full meals per week.
- Least expensive of all plans (\$880) but food costs overall will exceed this.

#4 – 10 meals/\$1,250 Dining Dollars Plan

- Less than one full meal per week!
- Lots of flexibility to eat wherever, but maybe that's not good for an incoming freshman who still has to learn his way around.
- Might result in more driving around town to eat, and more gasoline used up.