

**GUIDED READING****CHAPTER 4: THE 21<sup>ST</sup> CENTURY GLOBAL ECONOMY****Section 3: The Role of Individuals in a Global Economy**

**Directions:** Use the information from pages 177-187 to complete the following statements.

**Introduction**

1. \_\_\_\_\_ is the ability to buy things now and pay for them over time.
2. \_\_\_\_\_ is money paid for the use of money.

**Budgeting**

3. One way to ensure that you will handle money effectively is to develop and follow a personal \_\_\_\_\_.
4. The biggest advantage of following a personal budget is that you can avoid problems caused by too much \_\_\_\_\_ and a poor \_\_\_\_\_.
5. When developing a budget, you should plan for a whole \_\_\_\_\_.
6. \_\_\_\_\_ is money earned for working, providing services, selling goods or property, or from investments.
7. \_\_\_\_\_ are what you spend on your own needs and wants.
8. \_\_\_\_\_ expenses are set amounts that must be paid each month; \_\_\_\_\_ expenses are not set and may vary from month to month.
9. Budgets are useless if they are not \_\_\_\_\_.
10. Every budget should include savings that can be tapped for little or big \_\_\_\_\_.

**Savings**

11. The most important element in financial planning might be having a \_\_\_\_\_ plan.
12. A \_\_\_\_\_ account is an account against which the depositor can write checks to pay bills on demand.
13. A \_\_\_\_\_ account is a holding place for money for the future.
14. Banks can pay \_\_\_\_\_ to depositors because the banks earn money from people

Name: \_\_\_\_\_

Date: \_\_\_\_\_

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who take out loans.

### **Investing**

15. To \_\_\_\_\_ is to buy an asset hoping that it will provide future profit or income.

16. The \_\_\_\_\_ is a location where shares of ownership in a corporation, called \_\_\_\_\_, are bought and sold.

17. Most investors try to protect themselves by investing in a variety of \_\_\_\_\_-risk and \_\_\_\_\_-risk ventures.

### **Using Credit**

18. Your access to credit depends on your \_\_\_\_\_, how much you \_\_\_\_\_, your \_\_\_\_\_ history, and how much you \_\_\_\_\_.

19. Most people make large or major purchases, such as \_\_\_\_\_ and \_\_\_\_\_, on credit.

20. Interest rates vary based on the interest rate the \_\_\_\_\_ charges to loan money to banks.

21. The “\_\_\_\_\_ rule” states that your total debt, excluding home mortgage payments, should be no more than \_\_\_\_\_ percent of your net income each year.

### **West Virginia Portraits: John D. Perdue: His Focus**

22. John Perdue is West Virginia’s \_\_\_\_\_.

23. Perdue’s public service career began in the year \_\_\_\_\_ when he joined the staff of the West Virginia Department of \_\_\_\_\_.

24. In 1989, Governor \_\_\_\_\_ asked him to join his staff.

25. In 1996, Purdue overwhelmingly defeated his opponent to become state \_\_\_\_\_.

26. His \_\_\_\_\_ program provides personal finance lessons that can be incorporated into school subjects.