Cheatography

Compound Interest

College Finances Cheat Sheet by Apple Crider via cheatography.com/50409/cs/13914/

Compound Interest 10% for 20 years Compound INTEREST State S											
- 56.00 - 55.00 - 55.00 - 55.00 - 54.00 - 53.00 - 53.00 - 51.00 - 9RINCIPAL - 51.00 -	С							Big k	penefit	s →	\$8,000
COMPOUND INTEREST INTEREST - NO COMPOUNDING PRINCIPAL 5000	10% for 20 years						- \$6,000				
INTEREST - NO COMPOUNDING S1,00 PRINCIPAL S0,00											- \$4,000
PRINCIPAL \$1,00											- \$3,000
						IN	TERES				- \$1,000
	0	2	4	6	8	10	12	14	16	18	\$0,000

Compound interest is the process by which your interest accrues interest. It is the reason that investing in appreciating assets can make you rich, and failing to pay off high-interest debts can drive you deeper in debt very quickly.

Budgeting

Step 1:	Determine your goals. What does a life where money is not a concern look like?
Step 2:	Determine your income. What is your cash flow each month? Are all of your eggs in one basket?
Step 3:	Determine your fixed expenses. These are necessities for you to live each month. Includes: housing, utilities, food, etc. Think any recurring monthly payments.
Step 4:	Pay yourself. Set aside 10%-20% of your income for you. This is to be used for investing and saving and will be used to purchase income-generating assets.
Step 5:	Determine your variable expenses. These are not necessities and include: entertainment, clothing, and other discretionary spending.

Note: As you increase your income and decrease your variable expenses, give yourself a raise. Do not fall into the trap of lifestyle inflation.



By Apple Crider

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Credit Card Basics						
1. Get	If you do not have a credit card, get					
One!	one. You need to start building credit					
	at a young age to allow you to					
	purchase assets (house, car, etc.) in					
	the future.					
2. Use	If you cannot afford something, you					
lt	cannot afford something. Never buy					
(Respo	something on a credit card you don't					
nsibly)	have the money for.					