**GUIDED READING**

**CHAPTER 4: THE 21ST 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

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.