

Five Everyday Reasons You Need To Know Math

(NAPSA)—Many people may shy away from the subject of math, but it is important to understand math as it plays an instrumental role in making good financial decisions. A new University of Phoenix® survey found that 28 percent of respondents reported they were not confident that their current math skills are strong enough to succeed in planning for retirement and 24 percent stated they are not confident in their skills to succeed in understanding tuition assistance and save or pay for college. Additionally, 35 percent are not confident that their math skills were solid enough to start a business.

Susan Hadley, Ph.D., program dean for general education at University of Phoenix, says that people could be taking a financial hit as a result of not understanding basic math and the role it plays in financial decision making.

“Having a foundational knowledge of math helps people make informed purchases for major investments and expenses as well as everyday spending and saving decisions,” Dr. Hadley said. “Being comfortable with math is necessary and deeply relevant to our personal and professional lives. As a result, we’ve gone to great lengths to incorporate math into our undergraduate programs as it relates to everyday financial decisions.”

Dr. Hadley provides financial tips for areas where math skills are important:

1. Building a budget—A monthly budget helps allot money for fixed expenses like mortgage payments as well as how to plan for expenses that may vary from month to month, such as groceries. Also knowing how much to dedicate each month for long-term savings is helpful. Having this information can set the stage for making wise spending choices.

2. Renting vs. buying a home—There is no one-size-fits-all answer on whether to purchase a home or rent. Research the real estate market in the area where you want to live. Determine the mortgage or rent payment and the impact both options have on your lifestyle and short- and long-term financial goals. Review your budget to understand the financial implications of each choice.



The better you understand numbers, the better able you'll be to plan for your financial future.

3. Buying a car—People often assume that a vehicle is an investment. However, vehicles quickly depreciate. Be mindful of how much you are able to spend, financing options and, if you decide to take a loan to make the purchase, what you will pay in interest over the life of the loan.

4. Saving for college tuition—Start planning early if you intend to send your child to college and will assume responsibility for the cost or if you're planning on going back to school yourself. Knowing the tuition breakdown per semester, costs for materials and living expenses will help you factor them into your monthly budget and savings goals. Searching for scholarship and grant opportunities and researching student loan options will help with making sure you don't overleverage and can repay those loans in full and on time.

5. Planning for retirement—Review your budget regularly and determine what percentage of each paycheck you can contribute to a 401(k) or individual retirement account (IRA) to save for retirement. When determining the best strategy for building your retirement savings, consult a financial adviser.

It's Never Too Late

Whether for business decisions or everyday life, it's never too late to learn new things or refresh what you've already learned. Consider taking a course that reviews mathematical concepts, economics, accounting and finance applications for everyday life. Being comfortable with math will help you determine how you can better allocate your money to make it work for you while making better-informed decisions.