

- 1.) Surprisingly enough, I didn't know how a mortgage works—where it comes from, whether it's an asset or a liability, etc. Now I know that a mortgage is the amount owed on a house, and that the mortgage accrues as interest rates manifest each month.
- 2.) **fl**: \$82065.10; **nfl**: \$95585.69 [Obtained from “debtAccrued” variable.]
- 3.) **Fl**: 12 years; **nfl**: 36 years.
- 4.) $\$2767776 - \$1015384 = \underline{\$1752392}$.
- 5.) I think that putting savings in an index fund versus a regular bank account had the largest effect on the wealth disparity between fl and nfl.
- 6.) A financially literate person may invest in health and personal hygiene, whereas a non-financially literate person may not make that long-term investment. Additionally, a financially literate person may save more money for their rainy-day fund, while a non-financially literate person may spend that money on expensive cars, clothes and food. Also, a financially literate person would probably put their money in a 401k retirement fund as early as possible, whereas a non-financially literate person may not.
- 7.)

Literate vs. Illiterate

