

Area - Consumer and Family Resources
Problem – Life insurance

Standards

SD FACS Standard

FCS 7.3.3

Apply management principles to decisions about individual and family insurance.

SD Mathematics Standards

Math 8.N.3.1 Use various strategies to solve multi-step problems involving rational numbers.

Math 9-12.N.2.1 Add, subtract, multiply, and divide real numbers including integral exponents.

Problem

John and Susie Moore have just had a new baby. They are now faced with providing for her and are considering buying life insurance to add protection in case one of them dies. Their insurance agent told them that a simple formula of 4 to 8 times their annual salary is a guideline to go by. John makes an annual salary of \$45,000. Susie makes \$10.00 per hour at her 32 hour a week job. If you use the 4 to 8 times annual salary formula, what is the lowest amount and the highest amount of life insurance the couple should plan for? Show your work.

What will you need?

Calculator

Answer key

How will you be evaluated?

Key with correct answers