Margie Elizabeth Thacker

Tanya Champagne

Math 0997/1001 Quantative Reasoning

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Percentages: My Daily Use

This is my first year of college. Math was never strong subject for me, however I remember in high school asking myself how I was going to need really any of this in my future endeavors. Unbeknownst to me, the surprising revelation of the things I know now.

I was not aware of what quantative reasoning consisted of until I took this course that included my required class of Math for my degree. In this section of my class, we discussed and learned percentages. Percentages to me were very easy to come by since it is something I do daily in my current career path. I am a bail bondsman. Bonding companies in Georgia function similar to banks. Traditional financial institutions look at credit and ask for collateral to be able to qualify for a loan. The standard terms for a standard loan are usually simple. If you borrow a certain amount, known as your principal, you pay a certain amount of interest over time. Normally with most lenders, the APR, otherwise known as annual percentage rate, can be a set amount or fluctuate based on the market as well as your payment history. Simple interest loans are usually with a flat rate of interest. Bail bonds or surety bonds are similar to simple interest loans. Typically, these loans are paid with a flat set amount monthly for a specific term, for example a loan in the amount of $5,000 at an interest rate of 5% over 3 years would actually be a loan amount of $5,750. Your estimated payment on that loan monthly would be roughly $159.72. The State of Georgia law says that a bail bonding company or surety can charge up to 15% for a bond. We have a list of requirements for each individual county as a guideline to determine who we can and cannot write a bond for. In Clayton County, for instance, if a property bond is under $10,000, which includes the surcharges, we usually will only charge 12% of the total bond amount as the bond fee. If the bond is over $10,000 we can charge up to 15% for the bond fee. The bond fee portion as well as jail processing fee portions is non-refundable to the clients. It is basically like the interest collected on a loan. We give the principle amount, or bond amount, to the jail and the money paid to us is the release fee. We also offer payment arrangements on that same bond fee in some circumstances. For instance, if a bond is $8,550, we would normally charge a bond fee of $1,026. In some cases, some clients may not have that much, so we finance the release fee at the 15% rate which would be $1,282.50. This is $256.50 more than the paid in full rate because we are extended a finance option, and we would usually give them a payment plan agreement to follow along with a down payment amount. Also in my industry we have many competitors. There are some occasions, where we would like to be able to get the client and earn their business, so sometimes we might do a bond that is over $10,000, that we typically would do for 15% at maybe 13%, or sometimes charge a flat rate. Fulton County companies usually charge a rate of 10% simple because they have an over abundance of bonding companies, and it will be customer service and location that wins business there. For counties such as Dougherty and Bibb counties, they charge 15% across the board because it keeps it fair amongst all the other companies, and it is what we refer to as the handshake rule. It wasn’t until I came to work for a bonding company that I really understand what the purposes were. It basically is a business that makes it easier for some families to receive help getting their loved ones out without having to post all the cash for it directly to the jail, or obtain traditionally financing that may not qualify.

So looking back almost twenty years ago when I was in high school, I never foreseen or thought I would find myself in this environment or position career wise using numbers of any sort all day. Numbers are everywhere, cash registers, banking, loan officers, accountants, use percentages and general addition or subtraction. Builders and construction use algebra to formulate measurements on buildings they construct. Even our President, or people employed by him, has to use formulas and numbers to balance our deficit or other major political issues at hand. I guess in the world growing up you never really know how important Math is or is used until you are exposed to it.