

Explore Activity: Determine Living Costs

Objectives:

- To determine how much living as an adult costs

Materials

The items below are needed for this project:

- Student Notebook
- Pencil or pen
- Calculator

Exploration

The purpose of this exercise is to introduce students to the idea of salaries and the cost of living.

- You will need a chalk or white board.
- Have students write on their paper the monthly cost they believe to be associated with each of the following:
 - Rent
 - Utilities
 - Transportation
 - Groceries
 - Debt repayment (e.g. student loans, car loans)
 - Phone, cable, internet
 - Entertainment (including eating out)
 - Saving for medical expenses
 - Saving for retirement
 - Savings for emergencies and miscellaneous costs
- Have the student total their monthly costs.
- Go around the room and randomly ask for the students' totals and maybe there largest and smallest expenses. Write the numbers on the board.

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- Share the values below with students on the board. Values are based on a single young person just out of college who is establishing credit. You may need to adjust the following numbers to reflect your community.
 - Rent: \$850/month for a 1 bedroom apartment
 - Utilities: \$70/month
 - Transportation: \$470 (This is based on car payment and insurance; allow a lower value if public transit is going to be utilize)
 - Groceries: \$200/month
 - Debt repayment: \$175/month
 - Savings: \$100/month
 - Phone, cable, internet: \$150/month
 - Entertainment: \$80/month
 - Saving for medical expenses: \$60/month
 - Saving for retirement: \$80/month
 - Savings for emergencies and miscellaneous costs: \$100/month

- Discuss the numbers. For example:
 - How close were the students' estimates?
 - Which numbers surprised them?