



Movin' on Out

EPISODE #503

ACTIVITIES & LESSONS

LESSON LEVEL

Grades 6-8

KEY TOPICS

- Budgeting
- Living Expenses

ENTREPRENEURS & STORIES

- City Habits – Sarah & Kristine
- Big Girl House – Shelly & roommates
- How's the Living – Aeron & Kaliv
- Dress Designer – Kahinda
- University of Indiana Student – Taylor
- Living in LA – Kaelon

EPISODE SYNOPSIS

How much does it cost to live on your own? More than you think! This episode takes you through it all – budgeting, roommates, finding a place, paying on time, and learning about all the hidden costs of being on your own.

LEARNING OBJECTIVES

1. Budgeting is a basic life skill.
2. Paying bills on time is important.
3. Living independently is expensive.

NATIONAL STANDARDS CORRELATIONS

Aligned to National Financial Literacy Standards from the *JumpStart Coalition for Personal Financial Literacy* in the area of Financial Responsibility and Decision Making, and Planning and Money Management.

Overall Competency:

Apply reliable information and systematic decision making to personal financial decisions.

Standard 4:

Make financial decisions by systematically considering alternatives and consequences.

Overall Competency:

Organize personal finances and use a budget to manage cash flow.

Standard 1:

Develop a plan for spending and saving.

Aligned to Voluntary National Content Standards in Economics from the *Council for Economic Education*.

Standard 2:

Decision Making

CONTENTS

- Lesson Prep & Screening
- Activity #1
- Curriculum Connections
- Activity #2
- Biz Terms Vocabulary
- Family Activity Sheet



LESSON PREP & SCREENING

Getting Started

Familiarize yourself with the episode ahead of time. It will serve as a springboard for student learning, discussions, vocabulary exploration, and hands-on activities. Determine what is required to show the episode in your classroom and borrow equipment if needed. Choose an activity (each one takes between 45-60 minutes), and gather supplies. Have fun!

Equipment & Supplies

For all activities, students will need a pen or pencil. Additional equipment needs are identified on activity pages.

Screening

Introduce the series and the episode. Then, prior to playing the episode, lead your students in a discussion with the preview questions on this page. Explain that **Biz Kid\$** is a public television series that teaches kids about money and business. Also mention that the bizkids.com website has lots of video clips, games, a blog, and other resources.

About the Episode

How much does it cost to live on your own? More than you think!

This episode takes you through it all – budgeting, roommates, finding a place, paying on time, and learning about all the hidden costs of being on your own.

Preview Questions

- What are some of the expenses to budget for when living on your own?
- Can you name the two basic types of expenses? (Fixed and discretionary.)
- What are some questions you would ask if someone wanted you to be their roommate?

Summary & Conclusion

Episode #503 introduced you to living on your own, which can be more expensive than you realized. But by being aware of the biggest expenses you'll incur, budgeting appropriately, and paying your bills on time, living on your own is tremendously rewarding and loads of fun. Enjoy your first taste of freedom Biz Kid!

Family Connection

Distribute a copy of the Family Activity Sheet to each student to share what they've learned with their families.



Activity #1:

MOVIN' ON OUT BUDGET

Activity Learning Objectives

- Calculate different living expenses.
- Introduce *Biz Terms* and definitions used in the episode.

Episode Details

How much does it cost to live on your own?
More than you think!
This episode takes you through it all – budgeting, roommates, finding a place, paying on time, and learning about all the hidden costs of being on your own.

Directions

Read the episode details out loud to the class. Then, hand out the two worksheets titled “For Students” and discuss them together in class. Read the *Biz Terms* and discuss the vocabulary/episode review questions. Call on volunteers for answers, and have them explain to the group why they chose the term they believe to be correct.

Then, give the students time to complete worksheets. Finally, acting as a facilitator, allow students to discuss the issues. See Curriculum Connections on page 6 for additional ways to work with *Biz Terms*. (Note: the definitions are on page 8.)

Activity Wrap-Up

Thank the students for their participation, and remind them that living on their own can be more expensive than they realize. But by being aware of the biggest expenses they'll incur, budgeting appropriately and paying their bills on time can make living on their own tremendously rewarding and loads of fun.



WHO AM I?

WORKSHEET FOR STUDENTS

Biz Terms

- Budget
- Credit check
- Credit score
- Discretionary expenses
- Down payment
- Emergency fund
- Fixed expenses
- Incidentals
- Lease
- Rent
- Security deposit
- Utilities

Episode Review

1. A _____ is a financial plan to balance spending and saving.
2. If you have a choice whether to buy something or not, it is considered a _____ expense.
3. When a landlord wants to determine your financial reliability, he or she will check your _____.
4. The services of phone, cable, Internet, gas, water, and electricity are grouped under the term _____.
5. Expenses a renter must pay “up front” to reserve a rental unit include a _____ and a _____.
6. Your _____ is a number that determines the interest rate you will pay for loans, credit cards, etc.



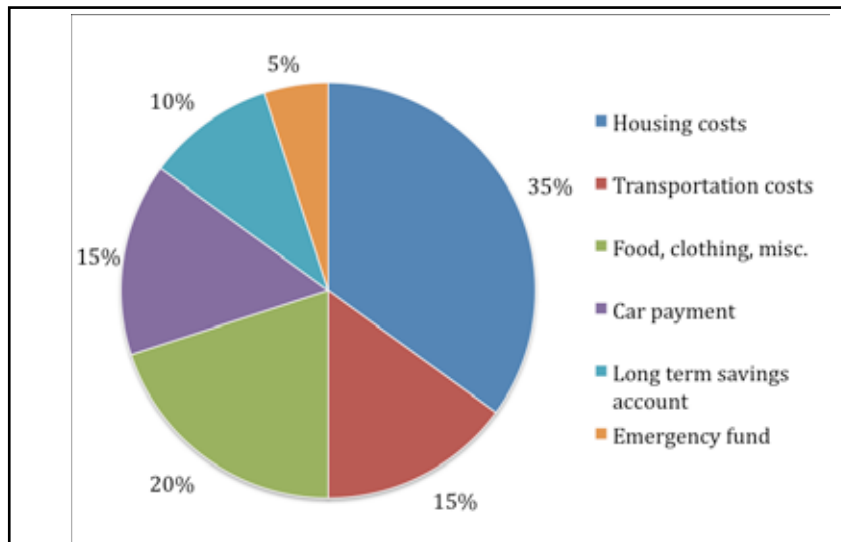
WHO AM I?

WORKSHEET FOR STUDENTS

Directions

Fill in your answers on the chart below. What would the dollar amounts be for each part of your monthly budget if your monthly take home pay (income) is:

INCOME	Housing Costs (35%)	Transportation Costs (15%)	Food, Clothing, Misc. (20%)	Car Payment (15%)	Long Term Savings Account (10%)	Emergency Fund (5%)
\$1,000 per month	Example: \$350					
\$1,500 per month						
\$1,800 per month						
EXTRA CREDIT: What would the monthly costs be if you had one roommate in each of the above scenarios?						





CURRICULUM CONNECTIONS

Language Arts

- Have students construct sentences; write a paragraph; or create a story, skit, or dialog using *Biz Terms*.
- Have students create a class dictionary of financial terms.
- Have students start their own journal of personal financial education and continue to add to it.
- Have students write a description of their ideal roommate.
- Have students interview a grandparent or senior citizen about their experience moving out of their family home.

History/Social Studies

- Compare the current cost of living in various geographic regions of the United States.
- Research and report on the three major credit reporting agencies. Compare and contrast the information they provide.

Mathematics

- Have students research the average housing cost in your community. If the average housing cost represents 35% of a monthly budget, then have students calculate how much income they would need each month to be able to afford the average home.
- Have students create different types of graphs and charts to show a monthly budget.
- Compare percentages of monthly budget expenses for rent or mortgage payments today versus in the 1950s, 1960s, 1970s.

Economics

- In relation to the area of personal financial decision making, what were some concerns Kaelon shared regarding moving out on his own without roommates?

Optional Vocabulary Extensions

Make Art!

Ask students to create personal illustrated glossaries using sketches or cartoons to visually represent the meaning of each *Biz Term*. Invite students to design a floor plan of their “dream” first apartment using graph paper.

Make It Personal!

Provide students with dictionaries and ask students to re-write formal definitions for each *Biz Term* in their own words to demonstrate comprehension.



Activity #2:

MY CREDIT SCORE

Activity Learning Objectives

- Learn how to check and understand your own credit reports.

Episode Details

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Supplies Needed

Computers, access to Internet, and printers.

DIRECTIONS FOR STUDENTS

There are three official companies that keep track of your credit score in the United States. Each company is required to provide one free copy of your credit report to you each calendar year if you write to them and request it.

These companies also try to get you to enroll in programs that charge you money to check your own credit score more frequently, but that is not necessary. Some financial institutions, such as credit unions, may offer credit score monitoring at no charge.

For each of these official credit companies, locate the mailing address where you can write to them. If you need help, ask a teacher, a librarian, or a parent to assist you.

TransUnion	www.transunion.com
Equifax	www.equifax.com
Experian	www.experian.com

Understand your credit score. Your score could be as low as 501 or as high as 990. A high score means you are most likely to pay back your debts and to pay them on time.

When being considered for a loan or during a credit check, the following items are important:

1. For the last four months, have all of your payments been on time?
2. If you have a credit card you should not owe more than 35% of the maximum limit. So if the max is \$100 then don't owe more than \$35 when you apply for new credit or a loan.
3. Have companies been asking a lot about your credit recently? Each inquiry by a company that wants to give you a loan or credit can cost a few points and drop your score, so be careful about how many loans or credit cards you apply for each year.



BIZ TERMS DEFINITIONS

- *Budget*: A plan of action to balance income and spending.
- *Credit check*: Process of getting information about an individual, such as their credit score or personal references, which shows how responsible they are with money.
- *Credit score*: A number determined by credit rating agencies that affects interest rates and credit eligibility for an individual.
- *Discretionary expenses*: Expenses that may change from month to month, and which are optional with regard to how much or how little you choose to spend on them each month.
- *Down payment*: A payment made up-front when purchasing or leasing an expensive item.
- *Emergency fund*: Money set aside for unexpected, essential expenses.
- *Fixed expenses*: Expenses that do not change from month to month, and which are not optional.
- *Incidentals*: Minor expenses for items that are not essential.
- *Lease*: A contract that states how long you can use an item, such as an apartment or a car, and how much it will cost each month to use that item. At the end of the lease, the item goes back to the company that you have leased it from.
- *Rent*: The monthly payment which is required by a lease or contract. Items which can be rented may include expensive items like apartments, houses, and cars.
- *Security deposit*: An amount of money which must be paid up-front as a protection for the landlord or rental company in case you cause damage to their property while you are using it. The security deposit is kept by them until you vacate their property; if all is well then you are refunded the security deposit.
- *Utilities*: Services provided where you live, such as telephone service, cable service, Internet service, gas and electricity, water, sewer service, and trash collection.



FAMILY ACTIVITY SHEET

Episode Synopsis

How much does it cost to live on your own? More than you think! This episode takes you through it all – budgeting, roommates, finding a place, paying on time, and learning about all the hidden costs of being on your own.

Activity Suggestions

Students are gaining an appreciation for the costs of living, and are learning about specific budget categories. Hopefully, you will realize all your parents have provided to you and express your gratitude! Have a discussion with your family about living expenses. The following questions might facilitate the discussion.

- Ask your parents about their experiences and expenses when they first moved out on their own.
- Compare the costs they paid when moving out to today's expenses if you lived on your own and the percentages of the budget categories.
- Ask your parents assistance on researching local costs for living independently.
- "Extras" that your parents have been paying for may include medical and dental care. Determine what your parents pay for you to stay on their medical/dental insurance plan when you move out, or if you will have to assume that responsibility. Ask your parents to help you determine the level of coverage you would need, and where to get it.
- Create a the grocery list, estimate prices, purchase the groceries when your family goes on their next shopping trip, and then compare your estimates with the actual cost. Any surprises?
- Together, make a list of your family's miscellaneous monthly expenses such as haircuts, private lessons, entertainment, or eating out. Total the amount. What percentage of your families monthly budget covers these miscellaneous expenses? If you lived on your own what amount would you need for your own miscellaneous expenses?
- What about expenses that happen once a year, such as income tax due or car registration? How do you budget for that as a family?
- Make a list of tips to follow to pay your bills on time.



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