



Movin' On Out

EPISODE #503

ACTIVITIES & LESSONS

LESSON LEVEL

Grades 9-12

KEY TOPICS

- Budgeting
- Living expenses

LEARNING OBJECTIVES

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

EPISODE SYNOPSIS

So 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.

NATIONAL STANDARDS CORRELATIONS

Aligned to *National Financial Literacy Standards* from the **JumpStart Coalition for Personal Financial Literacy**.

Financial Responsibility and Decision Making

Standard 4: Make financial decisions by systematically considering alternatives and consequences.

Planning and Money Management

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

Standard 14: Entrepreneurship

Aligned to **Common Core State Standards Initiative's** standards for *Literacy in History/Social Studies, Science and Technical Subjects*.

Standard 1: Read closely to determine what the text says explicitly and to make logical inferences from it; cite specific textual evidence when writing or speaking to support conclusions drawn from the text.

Standard 4: Interpret words and phrases as they are used in a text, including determining technical, connotative, and figurative meanings, and analyze how specific word choices shape meaning or tone.

Standard 7: Integrate and evaluate content presented in diverse formats and media, including visually and quantitatively, as well as in words.

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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 equipment is required to show the episode in your classroom and request it if needed. Choose an activity (each one takes between 45-60 minutes), and gather supplies. Students will need a pen or pencil and copies of the activity worksheets. Have fun!

Screening

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

About the Episode

So 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.

Episode Preview Questions

Before you show this Biz Kid\$ episode, lead your students in a brief discussion of the following questions:

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

Next Steps

Show this episode. After the episode, read the Summary and Conclusion to the class.

Summary and Conclusion

This episode introduced you to young entrepreneurs who chose their business structures based on different needs. Of all the decisions you make when starting a business, probably the most important one relating to taxes is the type of legal structure you select for your company. You want to evaluate all of your options and get advice from professionals such as an attorney or an accountant to ensure you make the best choice.

Family Connection

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



FAMILY ACTIVITY SHEET

Episode Synopsis

So 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, they are expressing gratitude to you, parents, for all you have provided! Have a discussion with your family about living expenses. The following questions might facilitate the discussion.

- Share with your children your experiences and expenses when you first moved out on your own.
- Compare the costs you paid when moving out to today's expenses and the percentages of the budget categories.
- Help your student research local costs for living independently.
- "Extras" that parents have been paying for may include medical and dental care. Determine if your child can stay on your medical/dental insurance plan when they move out, or if they must assume that responsibility. Help them determine the level of coverage they need, and where to get it.
- Have your student make the grocery list, estimate prices, purchase the groceries, and then compare their estimate with the actual cost. Any surprises?
- Together, make a list of the family's miscellaneous monthly expenses such as haircuts, private lessons, entertainment, or eating out. Total the amount. What percentage of your monthly budget covers these 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.
- Create a budget timeline to plan for when you are financially able to move out and live independently! Add to it or modify monthly.



Activity #1:

BIZ TERM\$

WORKSHEET FOR STUDENTS

Biz Term\$

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

Directions

With students, read aloud the Biz Term\$ and each question. Call on volunteers for answers, and have them explain why they chose the term they believe to be correct.

Biz Term\$ 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.



CURRICULUM CONNECTIONS

Language Arts

- Have students construct sentences, write a paragraph, or create a story, skit, or dialog using Biz Term\$.
- Have students create a class Dictionary of Financial Terms using Biz Term\$.
- Have students start their own Journal of Personal Financial Education and continue to add to it.

History/Social Studies

- Compare the current cost of living in various geographic regions of the United States.

Mathematics

- Today, one estimate says you should spend 35% or less on housing costs. Look up the rent for a 1 bedroom apartment in your area. If that is 35% of your budget, then how much money do you need each month in income to afford that apartment? What are some things you plan to do in your future that will help you earn that much income?

Economics

- Research and report on the three major credit reporting agencies. Compare and contrast the information they provide.

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.

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:

KNOW YOUR PRIORITIES

WORKSHEET FOR STUDENTS

Lesson Level:

Grades 9-12

Learning Objective:

Learn to budget for the items that are most important to you.

Directions

Life is full of choices. When considering a first apartment to rent, which of the following items would be most important for you to have included with the rent?

- Rank the following items in order of importance to you from one to ten, with ten being the top score and with unimportant items being numbered zero. It's okay to list more than one item as a '10' if they're equally important to you.

Microwave		Dishwasher		Washer/Dryer in unit	
Assigned parking		Ceiling fan		Windows	
Patio		At least one bedroom		Closet	
Air conditioner		Garage		Garbage disposal	
Cable or Satellite TV		Utilities		Extra storage on property	

- Take a look at the following list for a one-bedroom apartment. First, take a guess at how much you think the item will cost. Next, look up prices or ask people you know how much they spend on these items. Any surprises?

	Your guess	Actual prices in your area
Rent		
Water/sewer charges		
Trash removal charges		
Gas/electric charges		
Renter's insurance		
Cable/Satellite TV		
Internet or Wi-Fi		
Extra storage on property		

Have students discuss these ideas and share their answers with the class.



Activity #3:

LIVING EXPENSES

WORKSHEET FOR STUDENTS

Lesson Level:

Grades 9-12

Learning Objective:

Learn to budget for the items that are most important to you.

Directions

Many people budget for their fixed expenses but they forget about discretionary expenses.

1. Can you list three items that are discretionary expenses **for you** each month? Your answers may be different from your classmates' answers.

2. Assume that you have a monthly take-home income of \$2,600 per month. Your rent is \$1520 per month. Your utilities (water/sewer/trash) are \$50 per month. Your gas/electric is \$50 per month. Your car payment is \$340 and car insurance is \$250 per month. How much do you have left after these fixed expenses to spend on discretionary items?

3. Look at the three items you listed in question 1 above. With the amount you have left from question 2, figure out how much you would spend on each of those five discretionary items.

4. Do you make enough money to cover both your fixed and your discretionary expenses? What are some changes you can make if you don't have enough money?

Have students discuss these ideas and share their answers with the class.



BIZ TERMS DEFINITIONS

- *Budget*: A financial plan to balance spending and saving.
- *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.
- *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 the landlord or rental company until you return their property, and 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.



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