

Budgeting for the Future

This lesson is designed to help students understand the factors that contribute to post-high school costs. Students will brainstorm and research elements that contribute to expenses after high school and will create a budget in order to plan for the yearly cost of post-high school life.

OBJECTIVES

1. Learn about the factors and expenses that contribute to the cost of living
2. Consider how they will address the expenses in their lives after high school
3. Evaluate which factors and expenses are necessary
4. Create a budget in order to determine their average cost per month and average cost per year

ACTIVITIES

PART 1

Content Knowledge

Warm-up: Brainstorm a list of the costs that arise in life after high school. Students should assume they will move out immediately after graduation without dependence on their families.

In Class Discussion: Discuss the items that appear on students' lists and create a list of them that everyone can see. Additionally discuss:

1. Which items are necessary for all students?
2. Which items could be considered more of a personal necessity?
3. How can students plan for all of the expenses on their lists?

PART 2

Applying Information

Students will use the Budget Worksheet in order to research the anticipated monthly expenses they will incur after graduation (assuming no support from their families). They can research online as best they can to find their answers. If college is something that they are planning into their budget, they should use the College Cost Estimator on the MEFA Pathway website in order to get an estimate of tuition (they should choose one school option for this assignment).

Grade Level: 10 - 12

MEFA PATHWAY LINKS FOR LESSON:

- College Cost Calculator

SUBJECT AREAS:

- Personal Finance
- Econ

MATERIALS NEEDED:

- Internet connection to work with the MEFA Pathway website
- Budget Worksheet (attached)
- Budget Breakdown Worksheet (attached)

Email any questions to:
info@mefapathway.org



PART 3

Evaluating Information

Students will look over their Budget Worksheet and determine which monthly expenses are necessary for them. They will circle these on their worksheet in preparation for building their monthly and yearly budgets.

PART 4

Critical Thinking/Creative Application

Using their Budget Worksheet, students will complete the Budget Breakdown in order to calculate the average cost per month and average cost per year they will spend on living expenses.

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Budget Worksheet

Research the following monthly expenses as if you were moving out immediately after graduation.

1. Where will you rent an apartment/house? What is the cost per month? Is there a security deposit? If so, how much will it be? Will you have a pet? Will that cost extra? How much will renter's insurance cost? Is there laundry in your building? How much is that per month? If you are planning to attend college, how much will room & board cost? Log in to the MEFA Pathway website and use the College Cost Calculator in order to determine the estimated costs for room and board. Choose one college of your choice to complete this section.

2. What utilities will you be responsible for (heat, electric, water, garbage, cable, internet)? Which are included with rent? How much will each cost?

3. How will you get around? Vehicle? Public transportation? How much will insurance be if you own your own vehicle? How much are monthly payments on your vehicle? Will you buy or lease a vehicle?

4. Break down how much food you will need on a monthly basis to get by. Where will you shop? If you have a meal plan, how much will that cost? What about going out to eat? What about personal items (toiletries)? Toilet paper? Soap? Etc.?

5. What about health insurance? How much does that cost per month?

6. How much will your cell phone bill cost each month?

7. How much money will you need for entertainment and recreation per month (movies, concerts, etc.)?

8. Anything else? If there are any other necessities for you per month, list them and their cost here. If you are planning to attend college, how much will it cost? Log in to the MEFA Pathway website and use the College Cost Calculator in order to see the estimated costs for tuition, fees, books, and supplies. Choose one college of your choice to complete this section.

Budget Breakdown

Complete the following table in order to calculate your estimated expenses per month and per year. If you have any miscellaneous items, make sure to define them.

Expense	Cost Per Month	Cost Per Year
Rent/Housing & Related Items		
Utilities		
Transportation		
Food + Toiletries		
Health Insurance		
Cell Phone		
Entertainment/Recreation		
Miscellaneous:		
Miscellaneous:		
Miscellaneous:		
Total Expenditures:		

Now that you've totaled an estimate of what it will cost you to live per month and per year after high school, what do you think about the costs you've calculated? Is your cost of living more or less than you anticipated? Explain.