

Name:

### Students will be able to:

- Prioritize many factors when deciding where to live
- List important considerations before signing a lease
- Determine whether they are prepared to purchase a home
- Factor in how utilities will affect their budget
- Create a roommate agreement to share the costs associated with living together

**NOTE:** Vocabulary for this unit can be found in the [NGPF Personal Finance Dictionary](#)



### INTRO

#### **QUESTION OF THE DAY:** What percent of 18-29 year olds are currently living with their parents?

Answer the question on the first slide in the space below. Then, compare your answer to the answer on the second slide. Finally, follow your teacher's directions on how to answer the follow-up questions on the last slide.

#### **1. What percent of 18-29 year olds are currently living with their parents?**



### LEARN IT

#### **ARTICLE:** How to Decide Where to Live

One of the first steps that you make when setting up a budget to rent or own a home is to figure out where to live. There are many factors that go into making this decision beyond the cost. Skim the article about the things you should consider before moving to a new place. Then, answer the questions.

- The article lists 7 important factors that you should consider when deciding where to live. Rank each factor according to what is the most important to you and why?**

<b>Factor</b>	<b>Rating</b> 1 (most important) to 7 (least important)
Cost of Living	
Job Availability	
Desirability and Happiness	
Crime	
Quality of Education	
Commute	
Quality and Availability of Healthcare	

- Why did you put your highest ranked factor at the top of the list?**

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**ARTICLE: [What Fees Do I Have to Pay Before Signing the Lease?](#)**

If you're considering renting an apartment you will usually have to sign a lease agreement, which is a contract outlining the terms of your rental. This can include things like rent amount, apartment policies, and move-out procedures. When you show up to sign your lease, you may be surprised when you're asked for more than just the first month's rent. Read the article detailing common fees associated with signing an apartment lease agreement. Then, answer the questions.

- A security deposit is money that your landlord holds in case you break your lease or damage the apartment. What is the typical security deposit amount owed when you sign a new lease agreement?**
- If you have a pet in your apartment, you may be asked to pay extra when you sign your lease agreement. What's the difference between a pet fee, pet deposit and pet rent?**

### 3. What is the purpose of an application deposit and how does it benefit both the applicant and the owner of the rental property?

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#### **EDPUZZLE: [Should You Buy a House?](#)**

For various reasons, you may want to own a home instead of renting an apartment. Is this the right financial decision given your current budget? Is it the best lifestyle decision for you? Watch this video and follow your teacher's directions to answer the questions either in your student activity packet or within the EdPuzzle itself.

*NOTE: EdPuzzle videos shuffle answer choices and do not always match the order provided in the lesson here.*

#### **1. Buying a home achieves which two financial goals at the same time?**

- a. Providing a place to live, investing for the future
- b. Providing a place to live, paying for your college expenses
- c. Providing a place to live, bringing you great happiness
- d. Providing a place to live, paying off your consumer debt

#### **2. Millennials are buying fewer homes than in previous generations for each of these reasons EXCEPT...**

- a. They have to self-fund retirement to a greater extent
- b. They find apartments to be trendier and more fun
- c. They are paying down large student loans instead
- d. They prefer to spend money on travel experiences rather than homeownership.

#### **3. How much money should you put toward your home's downpayment?**

- a. Your entire emergency fund
- b. 3 times your monthly expenses
- c. 20% of the price of the home
- d. 5 years' worth of payments

#### **4. You should meet each of these 3 requirements before you consider buying a home: (Choose three)**

- a. You qualify for good mortgage terms
- b. You have enough saved for a down payment AND an emergency fund
- c. You plan to stay in the home for 5 or more years
- d. You are married and have children

**5. How is it possible someone could pay their mortgage monthly for years without reducing their principal by very much?**

- a. The real estate market changed substantially since they took out the mortgage
- b. The house's value increased so much that it's worth more than they agreed to pay
- c. In early years, most of the payments go toward interest
- d. The bank is pocketing that money instead of paying toward the loan

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**ARTICLE:** [Here's How to Estimate Your Utility Costs](#)

Another often overlooked home budget expense comes in the form of utilities: electricity, cable, gas, water, and garbage/recycling. While the use of these items can vary month to month, it's important to have a good ballpark estimate of how much you might owe each month on these items. Read the article about budgeting for utilities. Then, answer the questions.

- 1. How much more is the average cost of utilities for a home when compared to an apartment?**
  
- 2. Which bill usually accounts for the largest part of your monthly utility bill?**
  
- 3. What is equal billing and how can it help you when creating your monthly budget?**



**DO IT**

**ACTIVITY:** [PROJECT: Budgeting with Roommates](#)

As you've seen, there are many different costs associated with owning a home or renting an apartment. You can reduce some of these expenses by having one or more roommates. Follow the directions on the worksheet to complete this activity.



**EXIT TICKET**

Follow your teacher's directions to complete the Exit Ticket.