

● Contents ●

Introduction.....	1
Purpose	2
Overview	5
Standards Addressed.....	9
Three-Week Calendar.....	12
Materials.....	13
Pre-unit Essay Assessment	15
Life-Choices Questionnaire.....	16
Important Vocabulary and Concepts.....	18
The Simulation Begins	20
Independent Living Application Problems	22
Post-unit Essay Assessment	23
During- or Post-unit Extension.....	24
Reproducibles.....	27
Pre-unit Essay Assessment	28
Life-Choices Questionnaire	30
Vocabulary	31
Vocabulary Assessment	32
Your Future—Month One	33
Figuring Take-Home Pay	36

Samples are provided for evaluation purposes. Copying of the product or its parts for resale is prohibited. Additional restrictions may be set by the publisher.

Table of Contents

First-Month Bills.....	39
Checkbook / Debit Card Register	42
Blank Checks	43
Fate Cards	44
Your Future—Month Two.....	49
Real-Life Application Problems	52
Post-unit Essay Assessment	53
One-Week Menu.....	55
Ingredients Needed for the Week.....	56
Grocery Shopping List.....	57
Food Price List	58
Abbreviations in Rental Ads	60
Rental Price Comparison Chart.....	61
Sample Ads	62
Cash Register	63
Store Items.....	64
Recording Sheet	65
Answer Key	67
References	72

Introduction

Finally, the time has come. I turned eighteen a couple of months ago and successfully graduated from high school. It's so exciting to officially be an adult, and I can't wait to get a job and start earning some money. As soon as I can save enough money, I want to get an apartment and start living my life independently of my parents, paying my own bills and making my own decisions. I am confident that I will be able to earn enough to pay all my bills and have enough left over to start saving for college. I don't want a roommate, but I think I do need to buy a used car . . .

In this simulated unit of instruction, fourth- through twelfth-grade students are transported forward in time to their future as young adults. They will "become" eighteen-year-olds who recently graduated from high school and want to live independently: making their own life decisions, paying their own bills, holding down a minimum-wage job, and saving money to enroll in college or for their future endeavors.



Purpose

(Educational Objectives: Knowledge, Skills, and Attitudes)

This simulated unit of instruction is very important for all students, beginning in fourth grade and repeated in some form every year through high school, because it helps them think in advance about the financial realities of independent living while applying essential math, economics, and financial literacy standards in a realistic context.

Prior to this unit, students usually have many misconceptions about independent living. They think it will be easy to get a job and start earning money. They have no knowledge of the cost of things such as rent, security deposits, car payments, gasoline, liability insurance, utilities, cell phones, cable TV, Internet service, eating out, and cigarettes (if they choose to smoke). During their childhoods, many receive little encouragement to contribute to a savings account. Many research studies support the fact that contemporary children often grow into young adults who have little or no experience managing money. As a result, they have grossly unrealistic estimates of the cost of living and tend to go overboard on their expenses (Commane, 2013; Saulny, 2012; Sridhar; Yen, 2011).

According to Marks and Martin, young adults are currently faced with staggering levels of debt, underemployment, and joblessness. Fifty percent of the millennial generation (born from 1980 through the late 1990s) live paycheck to paycheck (Shin, 2014). Thirty-five percent continue to get help from their families and do not think much about long-term financial saving. In fact, 22 percent have not saved anything at all (Shin, 2014). Fifty-seven percent find it really difficult not to overspend, and many of these report that overspending is one of their top stressors. To avoid the stress of overspending, half of millennials pay their credit card bill in full each month, and 35 percent use cash instead of a credit card to keep a tight rein on their budget (Shin, 2014). In contrast, generation Z (born from 1996 to present), who are just now beginning to enter young adulthood, appear to have better financial skills. Seventy-six percent say it is important to save money, and more than half have a savings account. Still, 25 percent have a credit card, and more than half of these carry a balance for at least six months (Malcolm, 2012).

Inflated costs of basic necessities have resulted in thousands of young adults (ages eighteen to twenty-four) struggling to survive financially. Currently, over 50 percent of these young adults are unemployed and either living at home, living in poverty, or homeless. Others rely on high-interest credit cards to make ends meet and, as a result, face *debt distress*, spending 40 percent or more of their income on debt payments. Young adults need to be better prepared for the financial realities facing them once they leave their parents' nest (Commane, 2013; Saulny, 2012; Sridhar; Yen, 2011).

The following educational objectives (knowledge, skills, and attitudes) are addressed in this unit of study:

1. Students are actively engaged in authentic, meaningful, and memorable learning throughout this unit. They come into class excited to learn and enthusiastically participate in all aspects of this financial simulation.
2. Students learn about the financial realities of working a minimum-wage job and independent living.
3. Students learn and thoroughly understand financial vocabulary (minimum wage, security deposit, utilities, interest, deposit, withdrawal, balance, checking account, savings account, debit card, take-home pay, finances, inflation, benefits, etc.).
4. Students learn that different life choices can have a dynamic effect on their financial well-being. These life choices include pursuance of post-secondary education, job/career choice and the resulting wage earned, expenditures accrued, ability to save, and more. Some examples follow.

Example #1: Students learn that paying for a higher education can be expensive but that earning scholarships can alleviate much of this expenditure. Saving money now, and in the future, can also help with this great expense.

Example #2: Students learn that sharing rent, utilities, Internet, cable TV, etc. with a roommate is less expensive than paying these bills on their own.

Example #3: Students learn that there are many costs related to owning a car (car payments, gasoline, liability insurance, repairs).

Example #4: Students learn that cigarette smoking is expensive, not only for their health but also for their pocketbook.

Example #5: Students learn that it is difficult to make ends meet when working a minimum-wage job, especially after deductions are made for social security, taxes, etc.

Example #6: Students learn that simple, irresponsible life choices can be very expensive—getting a ticket for speeding, paying to have a cavity filled, repairing apartment damage after a party, etc.

5. Students learn that it is important to keep accurate records of their finances and that one error can result in a problematic cascading effect.

Purpose

6. Students learn how to write a check and/or use a debit card, how to address an envelope, and how to keep track of finances on a checkbook / debit card register.
7. Students learn to think through realistic problems related to their finances and use their math knowledge and decision-making skills to solve these problems.



Overview

Why Use This Unit

Preparation for a financially independent future is the predominant reason for this realistic, easy-to-use, simulation. As students engage in this independent-living simulation, they experience the real-life application of many useful financial vocabulary terms, mathematical, financial literacy, and economic decision-making skills. Math skills include realizing the importance of precision and procedural fluency in adding and subtracting decimals and figuring percentages (removing percentages of the paycheck for social security and federal taxes and figuring the interest earned in a savings account or paid when borrowing money)—essential math goals for fourth through twelfth grades as outlined in the United States Common Core State Standards (CCSS). Financial literacy skills include budgeting, saving, and buying goods and services—skills outlined in the National Standards for Financial Literacy. Students also learn essential decision-making skills (determining their budget and expenses for their second month of independent living)—satisfying benchmarks detailed in the Economic Decision Making subset of Dimension 2 of the C3 Framework. Through this real-life simulation, students gain competence and confidence in their financial readiness for independent living and in their mathematical and financial abilities. Students are truly engaged as they “become” eighteen-year-olds working full time, minimum-wage jobs and paying their own bills.

Who Will Benefit from This Unit

This simulated unit of instruction is intended and appropriate for fourth-through twelfth-grade students. This simulation can be successfully accomplished by all fourth- through twelfth-grade students and fits nicely into any math, economics, social studies, or life skills class. In my numerous pilots of this unit with fourth and fifth graders, I have witnessed boundless excitement and high levels of intrinsic motivation by all students including those who have been identified as being English language learners (ELL), gifted and talented (G/T), attention deficit hyperactivity disorder (ADHD), learning disabled (LD), emotionally or behaviorally impaired, or motivationally challenged. The mother of one of my struggling math students told me that her daughter talked endlessly about this simulation. She was so engaged in this simulation that disappointment was expressed when she found out we didn't have math one day because of a field trip. For all of these students, the struggle to maintain focus and concentration during most traditionally delivered instruction was nonexistent during this simulation.

Moreover, this unit is very satisfying for students who are eager for a challenge because it is a subject about which they have little knowledge. These students are always eager to learn something new and often make amazing connections and arrive at incredible insights. For example, one

Overview

of my students who was eligible for the G/T program had been extremely attentive and engaged during the introductory sessions of this simulation. He enthusiastically shared his insight: "With all these extra expenses and then the fate cards where we might have to pay even more, I'm not even sure we're going to survive." His mother told me this simulation sparked home discussions that were indicative of her son's deep thinking about the complexities of independent living.

It is appropriate to repeat the same simulation in multiple years. In fact, students beg to do the simulation again and again, year after year. As students mature in age and experience with these concepts, the independent learning and related class discussions deepen. The repetition of the basic financial concepts over multiple school years is recommended.

Time Required

This simulation can be implemented in a variety of ways and can be flexibly adapted by the teacher to any classroom environment, time frame, and needs of diverse students. Below is a list of some of the options for implementing this unit:

- a. ***Ten 50–60-minute class periods***—The basic simulation involves completing and discussing a **Life-Choices Questionnaire**, learning and discussing financially related vocabulary, and keeping track of bank deposits and withdrawals using a checking / debit card register for the first two months of independent living.
- b. ***Fifteen 50–60-minute class periods***—The five extra class periods allow greater flexibility for diverse students to work at their own pace through this simulation. Students who finish the basic simulation early and who are ready for a challenge have the opportunity to solve application problems related to the financial realities of independent living. Students who need more time and/or some one-on-one instruction to be successful are provided with that opportunity.
- c. ***More than fifteen 50–60-minute class periods***—There are three extension activities provided in this simulation, in addition to numerous real-life application problems. If more time is provided for this unit of instruction, these extension activities and real-life application problems would be very beneficial.

Differentiation

Since students work through much of this unit at their own pace, ample challenging extensions of finance-related real-life applications are provided for those who finish the basic unit early. Those who work at a slower pace are thus given the extra time to complete the basic unit satisfactorily. The teacher is able to provide one-on-one assistance for those who are struggling with

the concepts as well as coaching for those working on the more challenging extension problems.

The teacher is also able to change or add existing fate cards and realistic application problems or adapt the independent living expenses to better fit school location and student needs.

Gradual Release of Responsibility Instructional Design

A gradual release of responsibility instructional design is utilized throughout this unit. First, the teacher models or explicitly explains the vocabulary, concepts, and skills. While doing this, the students are engaged in whole-class learning through interactive discussion as the teacher asks clarifying questions and encourages students to share their personal connections with the material. Next, the students practice the vocabulary, concepts, and skills with the teacher providing guided instruction as necessary. Before long, the students are able to use and apply the vocabulary, concepts, and skills independently or with a partner (depending on the activity) with confidence and work through the unit at their own pace.

Assessment of Learning

Before any teaching takes place, students write a pre-assessment essay on their background knowledge related to financially managing the expenses of independent living while working a full-time, minimum-wage job. Following the ten- to fifteen-day simulation, students write a post-assessment essay on the same topic. The two essays are compared to determine the growth in students' understanding of finances and the realities of living independently and paying their own bills.

Formative assessment occurs continually during this simulation on the financial realities of independent living. The many interactive discussions throughout the unit are useful formative assessments and assist the teacher in developing an awareness of which concepts the students thoroughly understand and where there are misconceptions requiring more clarification and reteaching. For example, when discussing *federal minimum wage* in my class, I asked if anyone knew the meaning of *federal*. One student responded, "I don't know exactly, but I'm pretty sure it means professional." I told her that was a good guess and that it is OK to guess when you don't know for sure. Another student knew that "*federal* is a type of national government." Later, I asked if anyone had an idea of the meaning of a *security deposit*. A student in my class said he thought a security deposit was for *your* security (the person renting the apartment). I explained that it is more for the security of the person who owns the apartment. This disturbed another student, and she asked, "Why don't *they* pay for their *own* security? Why do *you* have to pay for *their* security?" This resulted in a rich discussion to clarify the meaning of, and reasons for, security deposits.



Teaching tip

Encourage students to take risks in their thinking and emphasize that it is acceptable to ask questions for clarification and to use induction and deduction to make guesses related to their understanding.



Teaching tip

It is helpful to find ways to connect the new concepts being taught to the students' background knowledge.



Teaching tip

Facilitate as the students attempt to figure out or construct the meaning of a financial vocabulary term and, when necessary, learn from their mistakes.

Overview

A test is used to assess knowledge of financial vocabulary. Additionally, students are assessed on their mathematical skills when balancing a checkbook / debit card register and solving realistic application problems.

End-of-Unit Celebration and Student-Parent Sharing

At the end of the simulation, students can celebrate by sharing what they have learned with their parents. Parents can be invited to come to school during the school day or attend an after-school or evening event. Students can write and deliver the invitations to their parents.

Teaching tip

If a student's parents are unable to attend, another child's parents can "adopt" them for the event.



During this event, the students take their parents on a virtual tour of the simulation and thoroughly explain every part of the simulation while describing their success in surviving financially during their first two months of independent living. Parents are free to ask their child clarifying questions. Students at all ages are excited about the prospect of sharing this learning with their parents. This is, indeed, a celebration!

