

# CHAPTER 5

# Cost of Living Calculator <sup>(1/2)</sup>

**Activity:** Individual

⌚ 20 MINUTES

**Materials:** One activity handout per student, course materials and internet access

**Objective:** The purpose of this activity is to compare the cost of living on campus versus off campus as a college student. Students will also have the option of comparing the cost of living in cities across the United States and how that relates to income.

**STANDARD Income and Careers Standard 1:**

Explore career options

- Analyze how economic, social-cultural and political conditions can affect income and career potential.

**STANDARD Financial Responsibility and Decision Making Standard 4:**

Make financial decisions by systematically considering alternatives and consequences

- Use a financial or online calculator to determine the cost of achieving a long-term goal.

## Procedure

Have students go to [foundationsU.com](http://foundationsU.com) for both the Cost of Living Calculator and the On vs. Off Campus Living Calculator (under Tools).

Students will complete three different living scenarios and then be given an opportunity to calculate their own cost of living options based on their individual post-high school plans.

Use the **ON VS. OFF CAMPUS LIVING CALCULATOR** for the following:

### Scenario 1

You are currently a senior in high school, and you plan to attend the University of Florida in the fall. The city closest to your school is Gainesville. Your on-campus room and board will be \$9,370. What will your off-campus room and board cost? Which is the better deal? Off-campus: \$11,550.61; living on campus will be the better deal. *(Note: These figures may change as the **ON VS. OFF CAMPUS LIVING CALCULATOR** is updated.)*

### Scenario 2

You are currently a senior in high school, and you plan to attend the University of Michigan in the fall. The closest city is Detroit. Your on-campus room and board will be \$9,752. What will your off-campus room and board cost? Which is the better deal? Off-campus: \$11,499.95; living on campus will be the better deal. *(Note: These figures may change as the **ON VS. OFF CAMPUS LIVING CALCULATOR** is updated.)*

# Cost of Living Calculator <sup>(2/2)</sup>

Use the **COST OF LIVING COMPARISON CALCULATOR** for the following:

## Scenario 3

You are graduating high school in two months. You have also completed a school-to-work transition program in the field of graphic arts. You currently live with your parents in Boston, but you have been saving money and plan to move out once you start your job. You have a local job offer in your field with a starting salary of \$28,000. You have also been offered a job in Nashville with a starting salary of \$25,000. Compare the difference in the cost of living to decide whether moving, despite a lower salary, makes sense.

- 1 How much does it cost to live in Nashville by comparison? *\*Note: These answers may change as the **COST OF LIVING COMPARISON CALCULATOR** is updated.*
  - » *Nashville Adjusted Salary: \$18,795*  
*This is the amount you would need to earn in Nashville, Tenn., in order to have the same standard of living as you would have earning \$28,000 in Boston, Mass.*
  - » *Groceries: 21% more/less*
  - » *Housing: 53% more/less*
  - » *Utilities: 40% more/less*
  - » *Transportation: 11% more/less*
  - » *Healthcare: 29% more/less*
- 2 Does Nashville have a higher or lower cost of living than Boston? *Lower*
- 3 Does it make good financial sense to move even though your salary will be lower? Why or why not? *Answers will vary but should emphasize that even though the Nashville job offers a lower salary, the significantly lower cost of living makes the “value” of the \$25,000 salary much higher.*
- 4 Consider your own post-high school plans and use the calculators to determine your most cost-effective living arrangement. *Answers will vary.*

# Cost of Living Calculator <sup>(1/2)</sup>

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## Directions

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Go to [wwwFOUNDATIONSU.com](http://wwwFOUNDATIONSU.com) and locate the **COST OF LIVING CALCULATOR** and the **ON VS. OFF CAMPUS CALCULATOR** (under Tools).

Read the three different post-high school living scenarios below and use the online calculators to answer the questions. You will then complete one for your own post-high school living arrangement. Since you may not be entirely certain of your college or career plans, you may want to explore a variety of your own possible cost-of-living scenarios.

Use the **ON VS. OFF CAMPUS LIVING CALCULATOR** for the following:

### Scenario 1

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You are currently a senior in high school, and you plan to attend the University of Florida in the fall. The city closest to your school is Gainesville. Your on-campus room and board will be \$9,370. What will your off-campus room and board cost? Which is the better deal?

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### Scenario 2

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You are currently a senior in high school, and you plan to attend the University of Michigan in the fall. The closest city is Detroit. Your on-campus room and board will be \$9,752. What will your off-campus room and board cost? Which is the better deal?

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# Cost of Living Calculator (2/2)

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Use the **COST OF LIVING COMPARISON CALCULATOR** for the following:

## Scenario 3

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You are graduating high school in two months. You have also completed a school-to-work transition program in the field of graphic arts. You currently live with your parents in Boston, but you have been saving money and plan to move out once you start your job. You have a local job offer in your field with a starting salary of \$28,000. You have also been offered a job in Nashville with a starting salary of \$25,000. Compare the difference in the cost of living to decide whether moving, despite a lower salary, makes sense.

❶ How much does it cost to live in Nashville by comparison?

» Nashville Adjusted Salary: \$\_\_\_\_\_

*This is the amount you would need to earn in Nashville, Tenn., in order to have the same standard of living as you would have earning \$28,000 in Boston, Mass.*

» Groceries \_\_\_\_\_% more/less

» Housing \_\_\_\_\_% more/less

» Utilities \_\_\_\_\_% more/less

» Transportation \_\_\_\_\_% more/less

» Healthcare \_\_\_\_\_% more/less

❷ Does Nashville have a higher or lower cost of living than Boston?

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❸ Does it make good financial sense to move to Nashville even though your salary will be lower?

Why or why not?

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❹ Consider your own post-high school plans and use the calculators to determine your most cost-effective living arrangement.

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