

How Would You Budget?

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Teacher's Guide



Hanna has just gotten a raise and the cast of characters representing her monthly expenses are meeting so each one can make a case for their share of the money.

- Can they work together to balance Hanna's budget?
- Will Savings finally get a fair share?
- Or will dreaded Debt demand that it all be used to pay back what she is owed?

Your students will laugh as they learn about budgeting. But at the end of the program, they have to answer the serious question – How Would You Budget?

- Presented in High Definition
- Close-captioned for the hearing impaired

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- **Who Would You Fire?**
- **Can I Make It On My Own?**
- **How I Started My Career**

Activity 1: Hanna's Salary and Budget

A year ago, Hanna graduated from the University of Illinois with a bachelor's degree in media arts. She now lives in Des Moines, Iowa where she works for a company doing web design and interactive media. Hanna's starting salary was \$40,000.

1. Compute her biweekly net pay (take-home pay). Round your answers to the nearest cent.

Biweekly Gross Pay.....	\$	1,538.46	(\$40,000 / 26)
Federal Withholding (10.4%)	\$	160.00	(biweekly gross pay x .104)
Social Security Withholding (6.2%) .	\$	95.38	
Medicare Withholding (1.45%)	\$	22.31	
State Withholding (7.9%)	\$	121.54	
Total Withholding	\$	399.23	(Sum of Withholding)
Biweekly Net Pay.....	\$	1,139.23	(Biweekly Gross — Withholding)

2. Taxes = \$798.46 (\$399.23 x 2 = \$798.46)

No other specific answers are required

3. Taxes = 25.9% (\$798.46 / \$3,076.92 = .2594 = 25.9%)

No other specific answers are required

Activity 2: Hanna's Expenses

1. Sample Answers:

Housing: Rent, Renter's Insurance

Utilities including: Electricity, Cable/Satellite, Internet, Water/Sewer, Trash Pickup

Food: Groceries, Eating Out, Carrying In

Transportation: Car Payment, Car Insurance, Gas, Maintenance, Parking
Public Transportation

Health: Health Insurance Deductibles and Co-Pays, Non-Covered Medical Expenses
Over-The-Counter Vitamins/Supplements/Drugs, Fitness Equipment, Fitness Class Payments

Discretionary Spending: Entertainment, Clothing, Furniture, Appliances and Cookware
Kitchen and Household Utensils, Educational Expenses, Contributions

Debt payments: Car Payments, Student Loan Payments, Credit Card Payments, Personal Loan Payments

2. No specific answers are required.

3. No specific answers are required.

Activity 3: Hanna's 2% Raise

Hanna had her annual job review and received a positive report from her boss. However, the company could only afford to give her a 2% raise which she felt was disappointing.

1. Compute her biweekly net pay (take-home pay). Round your answers to the nearest cent.

New Annual Salary	\$ 40,800.00	(\$40,000 × 1.02)
Biweekly Gross Pay.....	\$ 1,569.23	(New Salary / 26)
Federal Withholding (10.4%)	\$ 163.20	(biweekly gross pay × .104)
Social Security Withholding (6.2%) .	\$ 97.29	
Medicare Withholding (1.45%)	\$ 22.75	
State Withholding (7.9%)	\$ 123.97	
Total Withholding	\$ 407.21	(Sum of Withholding)
Biweekly Net Pay.....	\$ 1,162.02	(Biweekly Gross — Withholding)

2. No specific answers are required

3. No specific answers are required

Activity 4: Comparing Costs of Living

1.

City	Overall Cost of Living Index	Salary Required
St. Louis, MO	84	\$41,795
Minneapolis, MN	108	\$53,737
Atlanta, GA	97	\$48,263
San Francisco, CA	243	\$120,907
Houston, TX	98	\$48,761
Miami, FL	119	\$59,210
Denver, CO	115	\$57,220
Chicago, IL	103	\$51,249
Boston, MA	161	\$80,107

City	Overall Cost of Living Index	Salary Required
Phoenix, AR	99	\$49,259
Seattle WA	154	\$76,624
New York, NY	168	\$83,590
Los Angeles, CA	164	\$81,600

← $\$40,800 \times 84 = \$3,427,200$
 $\$3,427,200 / 82 = \$41,795$

Activity 4: Comparing Costs of Living

2. No specific answers are required

3.

City	Average Rent 1 Bedroom Apartment	Percentage Difference
St. Louis, MO	\$ 600	- 16.7%
Minneapolis, MN	\$ 806	11.9 %
Atlanta, GA	\$ 785	9.0 %
San Francisco, CA	\$1,315	82.6%
Houston, TX	\$ 747	3.8%
Miami, FL	\$ 920	27.8%
Denver, CO	\$ 736	2.2%
Chicago, IL	\$ 864	2.0%
Boston, MA	\$1,167	62.1%
Phoenix, AR	\$ 812	12.8%
Seattle WA	\$ 970	34.7%
New York, NY	\$1,136	57.8%
Los Angeles, CA	\$1,094	51.9%

$\$720 - \$600 = \$120$
 $\$120 / \$720 = - .1666 = - 16.7\%$

4. No specific answers are required

Common Core State Standards for Literacy in History/Social Studies, Science and Technical Subjects

Each of the following anchor standards for speaking and listening which is aligned with *How Would You Budget?* or with the accompanying activities has been marked with a **red arrow**.

College and Career Readiness Anchor Standards for Speaking and Listening

Comprehension and Collaboration

- ▶ 1. Prepare for and participate effectively in a range of conversations and collaborations with diverse partners, building on others' ideas and expressing their own clearly and persuasively.
- ▶ 2. Integrate and evaluate information presented in diverse media and formats, including **visually**, quantitatively, and **orally**.
- ▶ 3. Evaluate a speaker's point of view, reasoning, and use of evidence and rhetoric.

Presentation of Knowledge and Ideas

- ▶ 4. Present information, findings, and supporting evidence such that listeners can follow the line of reasoning and the organization, development, and style are appropriate to task, purpose, and audience.
- 5. Make strategic use of digital media and visual displays of data to express information and enhance understanding of presentations.
- ▶ 6. Adapt speech to a variety of contexts and communicative tasks, demonstrating command of formal English when indicated or appropriate.

Common Core State Standards For Mathematics

Each of the following anchor standards for math which is aligned with *How Would You Budget?* or with the accompanying activities has been marked with a **red arrow**.

Standards for Mathematical Practice

- ▶ 1. Make sense of problems and persevere in solving them.
- ▶ 2. Reason abstractly and quantitatively.
- 3. Construct viable arguments and critique the reasoning of others.
- ▶ 4. Model with mathematics.
- ▶ 5. Use appropriate tools strategically.
- ▶ 6. Attend to precision.
- ▶ 7. Look for and make use of structure.
- ▶ 8. Look for and express regularity in repeated reasoning.

Common Core State Standards for Literacy in History/Social Studies, Science and Technical Subjects

Each of the following anchor standards for reading which is aligned with *How Would You Budget?* or with the accompanying activities has been marked with a **red arrow**.

College and Career Readiness Anchor Standards for Reading

Key Ideas and Details

- ▶ 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.
- ▶ 2. Determine central ideas or themes of a text and analyze their development; summarize the key supporting details and ideas.
- 3. Analyze how and why individuals, events, or ideas develop and interact over the course of a text.

Craft and Structure

- ▶ 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.
- 5. Analyze the structure of texts, including how specific sentences, paragraphs, and larger portions of the text (e.g., a section, chapter, scene, or stanza) relate to each other and the whole.
- ▶ 6. Assess how point of view or purpose shapes the content and style of a text.

Integration of Knowledge and Ideas

- ▶ 7. Integrate and evaluate content presented in diverse formats and media, including **visually** and quantitatively, as well as **in words**.
- ▶ 8. Delineate and evaluate the argument and specific claims in a text, including the validity of the reasoning as well as the relevance and sufficiency of the evidence.
- 9. Analyze how two or more texts address similar themes or topics in order to build knowledge or to compare the approaches the authors take.

Range of Reading and Level of Text Complexity

- ▶ 10. Read and comprehend complex literary and **informational** texts independently and proficiently.

Common Core State Standards for Literacy in History/Social Studies, Science and Technical Subjects

Each of the following anchor standards for writing which is aligned with *How Would You Budget?* or with the accompanying activities has been marked with a **red arrow**.

College and Career Readiness Anchor Standards for Writing

Text Types and Purposes

- ▶ 1. Write arguments to support claims in an analysis of substantive topics or texts using valid reasoning and relevant and sufficient evidence.
- ▶ 2. Write informative/explanatory texts to examine and convey complex ideas and information clearly and accurately through the effective selection, organization, and analysis of content.
- ▶ 3. Write narratives to develop real or imagined experiences or events using effective technique, well-chosen details and well-structured event sequences.

Production and Distribution of Writing

- ▶ 4. Produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience.
- ▶ 5. Develop and strengthen writing as needed by planning, revising, editing, rewriting, or trying a new approach.
- 6. Use technology, including the Internet, to produce and publish writing and to interact and collaborate with others.

Research to Build and Present Knowledge

- 7. Conduct short as well as more sustained research projects based on focused questions, demonstrating understanding of the subject under investigation.
- 8. Gather relevant information from multiple print and digital sources, assess the credibility and accuracy of each source, and integrate the information while avoiding plagiarism.
- ▶ 9. Draw evidence from literary or **informational** texts to support analysis, reflection, and research.

Range of Writing

- ▶ 10. Write routinely over extended time frames (time for research, reflection, and revision) and shorter time frames (a single sitting or a day or two) for a range of tasks, purposes, and audiences.