**THE GAME OF LIFE…I HATE BEING A GROWN UP**

Each of you will be assigned a real life economic situation. Your job is to create a presentation where you lay out the living situation for your scenario.

1. You must find a place to live (if you are living in a house that you bought assume you paid 20% down and calculate your loan payment based on the value of the house after fact).
2. You must create a monthly budget for 1 year using the personal-budget-template excel spreadsheet from our website (there is a checking tab and a savings tab for you to keep track of both your checking account and savings account). If you choose to forego items on the list (ex. A vacation, owing a pet, etc.) you must explain this in the written portion of the project as well as reflect on the impact of these choices.
3. You must calculate your monthly salary both pre and post-tax (this means you will need to look up your tax bracket based on your income).
4. You must describe how you provide for the various dependent(s) needs in your scenario (be sure to consider your dependents age and gender).
5. You must make a comparison chart of the items that you were able to afford vs. the items you had to forgo based on your budget (see #2). You must include both tangible items (like food, Netflix etc.) and intangible items (like time, comfort etc.). In your reflection (see #9) explain the decision making that went into the items that you kept vs. the items you had to forego and how these decisions made you feel.
6. You must make a futures plan for how you would ‘create wealth’ in your scenario (savings, investments etc.). To buy a house you must budget for a 20% down payment and this must appear in your monthly budget, and you must choose a 30 year fixed mortgage. Your interest rate for a house is 4.5%.
7. You must seek out and explain additional financial assistance that can help you achieve your ‘creating wealth’ goals.
8. If you end up using any government programs you must explain to what degree you relied on the assistance and reflect on impact of this assistance to you/your children’s overall well-being.
9. You must write a short reflection on how this process went for you. Was it easy, hard, frustrating etc.? What did you learn: about yourself, the area you live in, living on your own, other people’s lives, your parents etc.? Compare and reflect on how much your family spends on food in reality vs. how much the person in your scenario could spend on food.

**Written portion:**

* Formal write up of the steps above. This can be in any electronic form so long as it is clear and organized.
* In your write up you must provide active links for all of the choices you make. For example, if you say you sell your car for a certain amount provide the Kelly Blue Book Link, if you say you rent an apartment for a certain amount you must provide a link to the rental site, etc. Sometimes links will expire, so take a screenshot.
* Many of you will have the same scenario, it is totally acceptable to work together, however every portion of the write up that is turned in must be unique or I will write you up for plagiarism.

**Presentation:**

* You have 5 minutes to present your life. The majority of the presentation should be your reflection on the decisions you made.

**Grading:**

* Correct budgeting
* Logical decision making
* Realistic choices
* Thoughtful reflection

**RULES YOU MUST FOLLOW**

* **Renting an Apartment:** When it says cable and internet are included this does not mean they are paying for your cable and internet, it simply means they have the hook ups for these things so if you want to pay for cable and internet service like Comcast you can. **Apartment Deposit Fees:** You only need to include these in your budget if your person has to move in your scenario.
* **Jobs:** You have the job you have and the hours you have. You are not allowed to change jobs or miraculously get more hours. Your job is located at 400 Pine St, Seattle, WA 98101.
* **Cars:** If you are choosing to buy a car that is model year 2016 or newer, you have to dip into your savings to make the down payment and figure out the loan. If the car is older than that, you can assume you bought it new and you owe the exact amount of the value of the car today based on Kelley Blue Book good condition value (<http://www.kbb.com/>). You also have to pay your car tabs once a year (<http://www.dol.wa.gov/vehicleregistration/fees.html> ). If you choose to sell your car you must provide a map of the bus/bike routes you will take to essential places like work, daycare, the grocery store, a hospital etc. You also must reflect on the ability of your person to feasibly get around using physical activity, and the reflect on the time loss this will cost you (see transportation).
* **Car Insurance:** You must have this if you have a car. If you allow your children to drive the car they must also be covered. It is up to you the level of coverage you have. The more coverage you have the more expensive it will be. Be sure to reflect on the option that you choose. (YOU SHOULD ASK YOUR PARENTS).
* **Cell Phones:** you can assume you already purchased whatever phone you have and paid any startup costs; plan on just the monthly bills. It is up to you what plan you decide on. Be sure to reflect on the option that you choose. (YOU SHOULD ASK YOUR PARENTS)
* **Location:** Your job is in downtown Seattle. If you will be looking for a home or an apartments you are limited to Seattle and the Greater Seattle Area (<http://en.wikipedia.org/wiki/Seattle_metropolitan_area#Cities> ). You must reflect on the travel time from your job to your home.
* **Buying a home:** Anyone purchasing a house must expect these things about the current King County Housing Market: You will be one of 5+ bidders, possibly as many as 20 bidders, and in order to win the bidding you will need to have a very strong bid.  This means having 10% down at a minimum, being prequalified for a mortgage, and bidding significantly over the list price.   You should expect to pay 15k-50k over the list price of any house on the market today. If you choose to do this, or want to but decide against it, reflect on this choice.
* **Travel:** You must calculate the time it takes you to get from home to work (consider time of day with traffic) and include how much you spend on gas a month in your budget (don’t forget tolls). If you choose to take the bus you must calculate how long the bus commute would take, you must include the route you will take including bus numbers and bus changes, and the cost of a bus pass.
* **Credit Cards:** If you have credit card it has a 20% APR. If you do not pay off the credit card in full that month you must carry the balance over each month with an additional interest purchase charge. To calculate how much that will be read this website: <https://www.discover.com/credit-cards/resources/interest-and-aprs/how-does-my-credit-card-interest-work/> . If you don’t pay off your credit card by the end of the month, don’t forget to add on your 20% APR to the balance for the next month. If you have a credit card reflect on the choice/ability to pay the card off, keep the balance, or purchase items with the credit card.
* **Children and Child Care:** You may not give up custody of your children, and you may not sell your children. You must find an actual day care for children who are not of school going age, and include the cost of the day care in your budget. You are not allowed to get a nanny or have relatives/friends watch the children. Reflect on your choice of child care.
* **Health Insurance:** If you are in a professional job (teacher, financial advisor) you have health insurance through your job. If you are in this category and single you pay about $10 a month. If you are in this category and have children you pay: $100 a month. If you are in a part time job or a non-professional job you do not have health insurance through your employer and must provide yourself coverage through the Affordable Care Act as it is the law. If you are under 25 years old you have coverage through your parents.
* **Life Insurance:** Is optional, but wise to have. If you would like to provide yourself with this and are under 45 it will be $50 a month. If you are over 45 it will be $100 a month. Life insurance is a creating wealth opportunity as you have the ability to cash it out early and use the accumulated money. Reflect on your choice to purchase this or not purchase this.
* **401k(retirement plan):** If you are in a professional job (teacher, financial advisor) you have a 401k through your employer. If you choose to do this you can choose to contribute up to 10% of your monthly income pretax. If you are in a part time job or a non- professional job you do not have the option to do this through your employer or must seek this out through an outside bank. A 401k is another creating wealth opportunity as you have the ability to cash it out early and use the accumulated money, but it also is the money you have to live on when you retire or are unable to work anymore. Reflect on your choice to purchase this or not purchase this.
* **Bank Accounts:** You are not allowed to go negative in your bank account (every month your expenses cannot be more than your income)
* **Groceries:** From the grocery list you created be sure to figure out if you can spend that much each month or if you have to give up some things. Be sure to reflect on that in your reflection and the impact your new diet will have on you/your dependents. Also reflect on the impact of the nonfood items and your ability/non ability to purchase them.
* **School Debt:** If you have a school debt you are on a standard 30 year repayment plan. You started your repayment at the age of 23 when you graduated. To calculate your monthly payments subtract the remaining years by 30, divide the remaining amount by the difference in years, then divide that number by 12 and add 3% for your monthly payments (ex. 25age-23age= 2. 30years-2years=28 years left. $35,000/28 years=1,250 per year. $1,250per year/ 12 months=$104.17. $104.14+3%=$107.12per month). You do have the option to pay off your loans early. Reflect on the impact of student loans on your budget and any decision made to pay them off early or not.
* **Timeline:** This scenario starts January 1, 2019, and ends December 31, 2019.

**HELPFUL RESOURCES**

* [https://www.nerdwallet.com/blog/taxes/federal-income-tax-brackets/](https://nam02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.nerdwallet.com%2Fblog%2Ftaxes%2Ffederal-income-tax-brackets%2F&data=02%7C01%7Cshodgins%40lwsd.org%7C5c09be47b1174b9fb00408d6a282f1e8%7C1fd4673fdf9646218638a1d88c4c85d7%7C0%7C0%7C636875080638672348&sdata=4U%2FdXAnXHi1tTshyn0wX7h9N9n1JquDMBV3Scv4wlSU%3D&reserved=0)
* <http://www.tax-rates.org/income-tax-calculator/?ref=nav_income>
* <https://www.healthcare.gov/?utm_campaign=031115_hhs_hcg_share&utm_medium=social&utm_source=hhs_healthcare&utm_content=031115_hhs_hcg_share_tablink>
* <https://www.chase.com/mortgage/mortgage-resources/affordability-calculator>
* <http://www.trulia.com/> – Find a house, use a mortgage calculator, get advice, Do not use this to find an apartment
* <http://www.apartments.com/> - self explanatory
* <http://www.myfirstapartment.com/2012/08/how-much-should-you-plan-for-utilities/>
* <http://kff.org/interactive/subsidy-calculator/>

**THE SCENARIOS**

* **Scenario 1:**
	+ Age: 20
	+ Children: none
	+ Marital Status: Single
	+ Education: You are currently attending the University of Washington full time.
	+ Job: You work at Urban Outfitters.
	+ Salary: You make the Seattle minimum wage pre tax ($15/hr) pretax (since this is pretax you must figure out how much you ACTUALLY make after taxes).You are paid hourly and you receive your pay check every other week.
	+ Current Savings: $100.00
	+ Life Style: You currently live in the dorms but want to move out as soon as possible. You currently do not own a car and take the bus from school to work and anywhere else you like to go. You have one credit card with a limit of $1000.00 which you have paid off. You took out a full loan (tuition, room and board, and books: <http://admit.washington.edu/costs-and-financial-aid/total-cost-of-attendance#freshmen-transfer> ) for the first two years at the UW which means you currently have $51,896.00 in student loans with a 7% interest rate (you will need to research how student loans work in order to decide if you want to continue to take out loans and in order to decide when you want to start to repay your loan).
* **Scenario 2:**
	+ Age: 25
	+ Children: none
	+ Pets: 10 year old Long Hair Chihuahua named Bijou
	+ Marital Status: Engaged and planning a wedding
	+ Job: You are a Teacher and your fiancé is a Retail Store Manager
	+ Salary: Your combined yearly incomes total pretax $80,000.00. You are paid at the end of each month your fiancé is paid bi-weekly (since this is pretax you must figure out how much you ACTUALLY make after taxes and divide this by 12 months as this is how much you actually have to spend)
	+ Savings: You have been saving for a wedding and each of you has agreed to set aside $500 each month. Your savings currently stands at $10,000.00 all earmarked for the wedding in July.
	+ Life Style: You currently live in an apartment that costs $1,599/month for rent alone not including utilities. You have a combined credit limit of $17,000.00 and you currently have a balance of $2,000.00 to pay off. You both own cars from 2006. Your car is paid off but your partner still owes $4,000 on his car. You have a master’s degree debt that you have been paying for 6 years yet you still have $35,000.00 with a 7% interest rate. Your fiancé has no college debt.
* **Scenario 3:**
	+ Age: 35
	+ Marital Status: Married
	+ Children: 2 girls ages 1 and 13.
	+ Job: You are an Assistant at a Law Firm. Your spouse was laid off after the Great Recession hit and, unable to find steady employment, has gone back to school to earn a degree.
	+ Salary: Your yearly income is pretax $54, 448.00. You are paid monthly (since this is pretax you must figure out how much you ACTUALLY make after taxes and divide this by 12 months as this is how much you actually have to spend).
	+ Current Savings: $200.00
	+ Life Style: During the housing boom you and your spouse purchased an affordable house. After the crash and the layoff however you lost your house and had to move in with friends where you currently still live. You have a combined credit limit of $10,000.00 and it is maxed out. You sold your car several months ago and are currently borrowing your friend’s car for transportation which is important since your friend’s house is not within the bus zone for your daughter’s school (LWSD). To pay for your spouse going back to school you need to take out financial aid.
* **Scenario 4:**
	+ Age: 45
	+ Marital Status: Divorced
	+ Children: 2: A boy and a girl. Ages 16 and 18.
	+ Job: You had been a stay at home parent while you were married. After the divorce your spouse gave you sole custody of the children and you needed to go back to work to provide for them. Unfortunately even though you have a college degree you have been out of the work force for 15 years and the jobs are going to people freshly out of college. You finally are able to get a temp job for the holidays at Starbucks, working as many hours as you are able, which will end at the end of January.
	+ Salary: You make Seattle minimum wage ($15/hr) plus $4 dollars an hour in tips pretax (since this is pretax you must figure out how much you ACTUALLY make after taxes). You also receive $100/month in child support and your ex agreed to pay 50% of the house mortgage ($750) for this month. Your spouse owns the house and has agreed to let you pay the full mortgage after this month as rent. If you cannot afford this your spouse will sell the house and keep the funds. The house is located in your children’s school district (LWSD).
	+ Current Savings: $2,000.00
	+ Life Style: As mentioned above you still live in the home you and your ex shared with the kids. Your ex has agreed to pay half of the mortgage which means you are responsible for the other $750 a month. You have a credit limit of $5,000.00 and currently have a balance of $1,000.00 to pay off. You are driving a 2009 Mercedes (C300 4D Sport Sedan with 91,000miles on it) which you are now responsible for payments on. You have no personal college debt, but your 18 year old has been accepted to USC, UW, Gonzaga, Western, NYU and of course her dream school of Stanford. You need to decide which school she will attend this coming August when her first tuition payment is due.
* **Scenario 5:**
	+ Age:30
	+ Marital Status: Widowed
	+ Children: 2 girls under the age of 2
	+ Job: You are able to find part time work at a Men’s Clothing Store. You continue to ask for more hours but at this time they are only able to give you 20 hours a week.
	+ Salary: The Men’s Clothing Store is a small company and thus not subject to the $15 Seattle minimum wage law. You are making $15 an hour pretax and are paid bi-weekly (since this is pretax you must figure out how much you ACTUALLY make after taxes and divide this by 12 months as this is how much you actually have to spend).
	+ Current Savings: $100
	+ Life Style: You currently live in the cheapest apartment you can find (you must find this). You own no car and take public transportation everywhere. You do not have a credit card. You do not have any college debt.
* **Scenario 6:**
	+ Age: 66
	+ Marital Status: Separated
	+ Children: Grown
	+ Job: You recently retired
	+ Salary: You are retired and you are now receiving your social security. From this you receive $1,461 a month. You were not in a job where you received a pension or had a 401k opportunity so this is all the income you have.
	+ Current Savings: $5,000.00
	+ Life Style: You currently live with your daughter, they own a small 2brd. Townhouse in Redmond. Your daughter’s two children have been sleeping in the living room so you can sleep in their room. It’s becoming an unbearable situation and you would like to find a place of your own. You drive a 1999 Ford (Crown Victoria Sedan 4D with 221,000miles on it) that constantly needs service, but is paid off. You have no credit card debt.
* **Scenario 7:**
	+ Age: 27
	+ Marital Status: Single, but not far off from being engaged.
	+ Children: none
	+ Pets: one, 3-year old Maine Coon
	+ Job: Part-time Economic Developer for Tukwila Mayor’s Office and your girlfriend is a teacher at the highest paying district in the state.
	+ Salary: $15,000 pretax (since this is pretax you must figure out how much you ACTUALLY make after taxes and divide this by 12 months as this is how much you actually have to spend).
	+ Current Savings: $25,000
	+ Lifestyle: You live in Seattle with your girlfriend in an open-bedroom apartment in Capital Hill. You pay for your student loans, $30,000 over a 15-year plan, 7% interest…so you’re not wasting any time. You currently attend a full-time graduate program at the University of Washington and received a $15,000 fellowship your first year. You graduate in June!!! (and need to start looking for a job, although your current position would like to hire you full time). You have no credit card debt. You and your girlfriend are planning to go to Europe for 5.5 weeks this summer and will be staying with friends (for free) at least half the time. Plane tickets have already been purchased.
* **Scenario 8**
	+ Age:28
	+ Marital Status: Single
	+ Children: 1 year old boy
	+ Job: Mortgage Broker
	+ Salary: Your income is $57,000 pretax (since this is pretax you must figure out how much you ACTUALLY make after taxes and divide this by 12 months as this is how much you actually have to spend). You share 50% custody with your ex fiancé with whom you have a child. You cover 100% of all cost related to the child because your ex has no job.
	+ Current Savings: $2,000.00
	+ Life Style: You need to move out of the home you currently share with your child’s other parent, because that person be cray. You own a 2010 Toyota (Corolla S Sedan 4D, with 78,000miles on it). You have a credit card limit of $5,000.00 and you have a balance of $2,000.00 you need to pay off. You have a college debt of $10,000.00 at 3% interest still outstanding.