

How Should Ethan Spend His Money?

	Total Points Earned
15	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Directions: Follow the steps below to help Ethan make some important financial decisions.

Step One: Read the story below to learn more about Ethan.

It is a couple years down the road and Ethan is headed to college. Luckily, Ethan has saved enough money by working at the bakery over the past few years to pay for all of his college tuition. He has decided to attend the university that is only a 15 minute drive from his house. This way, he can stay close to his family and continue working at the bakery since he was recently promoted to shift manager. Even though his college tuition is paid for, he still has to pay for his living expenses. Since he will continue working at the bakery, he knows what his budget will be. Now he needs to make some decisions on how he will spend his money every month.

Since the university is a short drive from his house, his parents have offered to allow him to live at home without paying rent while he goes to school. However, he knows if he lives at home he will have to find some sort of transportation to and from school. If he lives in the dormitories on campus, he will have to pay for room and board, but he will also save money on transportation since he can walk to class and to work. An added bonus to living on campus is the opportunity to meet new friends and be more involved with campus activities. Since being financially independent and secure is important to Ethan, he is willing to choose either option that will make the most financial sense for him.

Even though he has money in savings, he knows this money will be spent in no time on tuition. Therefore, he would like to save as much money as he can each month for emergencies and other unexpected expenses. However, he knows that it is unrealistic to save all of his extra money and not spend any money on things he enjoys doing. Ethan enjoys eating out since after he gets done working at the bakery he is usually tired of spending time in the kitchen. He also has a passion for music. He likes to download music and attend live music events. If Ethan has extra money he enjoys watching new movies in the movie theatre.

Step Two: Make financial choices for Ethan.

Use the *Spending Board* 1.17.2.H2 to determine how Ethan should spend his monthly income during his first year of college. Ethan's income is represented by circles, and he has 15 circles to spend. He can't spend more than 15 circles or else he would be spending money he doesn't have! Every category on the spending board must include at least one decision or purchase. Make sure to consider Ethan's personal values, needs, and wants when making financial decisions for him. Also consider what trade-offs he will have to make as a result of the decisions you make.

Spending Board

Housing	
Live at home (includes cable television, Internet, and phone)	No Monthly Cost
College dormitory with a roommate (includes cable television, Internet, and phone)	○
College dormitory in a single room (includes cable television, Internet, and phone)	○ ○
Rent a place to live with a roommate (includes costs for necessary utilities, such as electricity and water)	○ ○ ○
Rent a place to live on your own (includes costs for necessary utilities, such as electricity and water)	○ ○ ○ ○
Buy a home (includes costs for utilities, insurance, maintenance costs, and other home owner expenses)	○ ○ ○ ○ ○ ○ ○ ○
If you choose to rent or buy, you will also have to pay for any amenities you may want:	
• Cable or Satellite Television	○
• Internet	○
• Phone	○

Transportation	
Walk or bike	No Monthly Cost
Ride the bus	○
Drive a personal automobile (includes costs for necessary fuel, insurance, maintenance, and licensing)	○ ○

Food	
Eating at home (groceries)	
Included in college dormitory room and board costs	No Monthly Cost
Groceries for one person	○ ○
Eating out	
Eat out once per month	○
Eat out once per week	○ ○
Eat out once per day	○ ○ ○

Savings	
No Savings	No Monthly Cost
10% of income	○
20% of income	○ ○

Clothing	
Buy clothes at thrift shops	○
Buy clothes at discount stores	○ ○
Buy clothes at department stores	○ ○ ○

Personal Care	
Basic toiletry supplies (toothpaste, shampoo)	○
Basic house supplies (laundry detergent, dishwashing soap)	○
Hair cut	○
Gym membership	○
Spa package (one massage, manicure, or other spa treatment per month)	○

Entertainment/Other	
Cell Phone	○
<ul style="list-style-type: none"> Add Internet access and unlimited texting services 	○
Movies	○
<ul style="list-style-type: none"> Subscription to a movie rental service See one movie in the theater per month 	○
Music	○
<ul style="list-style-type: none"> Download 10 songs per month Attend one music event/concert per month 	○ ○
Sports- attend two sporting events per month	○
Shopping- one purchase per month	○
Purchase supplies for a hobby	○
Donate to a charitable cause	○

Letter to Ethan

	Total Points Earned
30	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Directions: After completing the *Spending Board* 1.17.2.H2, write a letter to Ethan explaining the financial decisions you made for him and why. Your letter will be graded based upon the following rubric:

	Exemplary - 3	Satisfactory - 2	Unsatisfactory - 1	Rating	Weight	Score
Content	The letter addresses each financial decision made on the <i>Spending Board</i> 1.17.2.H2.	The letter addresses some of the financial decision made on the <i>Spending Board</i> 1.17.2.H2.	The letter addresses very few of the financial decision made on the <i>Spending Board</i> 1.17.2.H2.		3	
Content	The letter explains why each financial decision was made. The decisions made were based upon Ethan's personal values, needs, and wants.	The letter explains why some of the financial decisions were made. The decisions made were based upon Ethan's personal values, needs, and wants.	The letter explains why very few of the financial decisions were made. The decisions made were not based upon Ethan's personal values, needs, and wants.		3	
Writing Skills	Sentences are fluent and effective. Very few errors in mechanics, punctuation, and word usage.	Sentences are usually controlled. There are minor errors in mechanics, punctuation, and word usage.	Sentences are generally adequate. There are lapses in mechanics, punctuation, and grammar.		2	
Presentation and Completion	Assignment is easily read and neatly assembled.	Assignment is not neatly assembled.	Assignment is incomplete.		2	
				Total Points Earned		
				Total Points Available		30
				Percentage		