

Name: _____

MAP4C Culminating Activity

Budgeting for the Future

What will life be like when I start my career? What new responsibilities am I going to have to face when I move out into the real world? Will I make enough money to pay for all of the things I need?

Moving out on your own and starting a career can be a very exciting time in life. It can also be a very overwhelming time if you are not properly prepared to deal with all of the new decisions you will be required to make. By the end of this project you will be more prepared to face those tough decisions.

More specifically, in this project you will:

- investigate a career of your choice, including an estimated starting salary
- consider your personal expenses and needs
- find a rental property **and** a house that meet your needs
- create a monthly budget based on estimated salary, expenses and chosen accommodations

Notes

- This project is an individual project and will count for **7% of your final grade**.
- The project will be assessed using the attached rubrics.
- Many parts of this activity will build on the work done in previous parts. All work is to be completed **during class time**. It is therefore essential that you attend class during the period of culminating activity work. Each part must be written up on a computer and on separate paper from the other parts.
- **After completing each part of the project, you will be required to check in your completed work for me to review in order to receive the next component of the activity.** *Work that does not meet sufficient standards will be returned to the student for revision before moving on to the next task.* You are responsible for completing each task and handing in your final project on the due date.

Due Date: Friday, June 13th

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Part 1: Investigating Career Choices

Choose a career that you are interested in pursuing and the city or town in which you will be living. This career and hometown will be used throughout the budgeting project.

*Please ensure your chosen career is realistic and that your hometown is in Canada.

Career: _____

Hometown: _____

Write a description including:

- The education required to obtain a job in this field (apprenticeship, college, university etc.)
- A description of what a person working in this career is required to do on a day to day basis
- The estimated starting salary for this career. Find **at least two** sources to ensure you obtain an accurate estimate. You will need to provide the sources for this information (web site addresses, etc.)
- The location of the job (Will you be required to move to another city?)

Career Cruising (Part 1):

No Level	Level 1	Level 2	Level 3	Level 4
<ul style="list-style-type: none">• Section not completed• No evidence of gathered data.• No explanations	<ul style="list-style-type: none">• Gathers data that is connected to future careers and expenses yet inappropriate for the project• Explanations and justifications are partially understandable	<ul style="list-style-type: none">• Gathers data that is appropriate and connected to future careers and expenses, yet missing many significant details• Explanations and justifications are understandable by the teacher, but likely unclear to others	<ul style="list-style-type: none">• Gathers data that is appropriate and connected to future careers and expenses, including most significant details• Explanations and justifications are clear for a range of audiences	<ul style="list-style-type: none">• Gathers data that is appropriate and connected to future careers and expenses, including all significant details as well as extreme cases• Explanations and justifications are particularly clear and detailed

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Part 2: Wants vs. Needs and Renting an Apartment

Once you have decided where you would like to work, you must find a place to live. When you search for accommodations, you will most likely have more than one option to choose from. You will have to consider what you **need** and what you would **like** to have in your accommodations (apartment or house).

Create a list of features you think you will **need** and a list of features you think you will **want** to have in an apartment. Provide explanations where necessary.

Research possible rental properties in the area you will be working in. Include the details of at least 2 of these rental properties - they do not need to be rewritten (include the advertisement or take a screen shot of the posting). Keep in mind the list of needs you made in part 2.

Select one property for rent that meets your needs. For the property selected summarize the associated costs (rent, hydro, parking, etc.) and the convenience factors (close to work, air conditioned etc.)

Decide, considering all the information you have gathered thus far on renting and provide a detailed explanation for your choice. Make reference to your wants and needs list created in part 2.

Where Do I Live? Renting (Part 2):

No Level	Level 1	Level 2	Level 3	Level 4
<ul style="list-style-type: none"> • Section not completed • No evidence of gathered data. • No explanations or justifications • No mention of overall costs of living in apartment 	<ul style="list-style-type: none"> • Gathers data that is connected to possible accommodations, yet does not meet any of the “needs” specified by the student • Explanations and justification are partially understood • Justification of the choice of accommodation presented has a limited connection to the “wants”, “needs” and affordability specified by the student • Only rent is included in cost 	<ul style="list-style-type: none"> • Gathers data that is appropriate and connected to possible accommodations yet meets very few of the “needs” specified by the student • Explanations and justifications are understandable to the teacher but not others • Justification of the choice of accommodation has some connection to the “wants”, “needs” and affordability specified by the student • Some living costs mentioned 	<ul style="list-style-type: none"> • Gathers data that is appropriate and connected to possible accommodations, including most “needs” specified by the student • Explanations and justifications are clear for a range of audiences • Justification of choice of accommodation has a direct connection to the “wants”, “needs” and affordability specified by the student • Most living costs discussed (total rent after utilities) 	<ul style="list-style-type: none"> • Gathers data that is appropriate and connected to possible accommodations, meeting all “needs” specified by the student • Explanations and justifications are particularly clear and detailed • Justification of the choice of accommodation has a direct connection to “wants”, “needs” and affordability specified by the student, with evidence of reflection • Summarizes all associated living costs (rent, utilities, parking, laundry)

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Part 3: Managing Your Money

Use your course textbook, notes and internet research to answer the following:

- 1) What are fixed expenses?
- 2) List 8 types of fixed expenses given.
- 3) What are variable expenses?
- 4) List 14 types of variable expenses given.
- 5) Give two examples of miscellaneous purchase that you might make.
- 6) Define Budget.
- 7) Why should a budget be flexible?
- 8) What are some short-term goals that budgeting would help us achieve?
- 9) What are some longer-term goals that budgeting would help us achieve?
- 10) What is the benefit of taking control of your financial affairs?
- 11) Who should budget?
- 12) Why is it important to set goals?

*You MUST reference your answer to every question! Online sources must be considered trusted.

Managing Your Money (Part 3):

No Level	Level 1	Level 2	Level 3	Level 4
<ul style="list-style-type: none">• Incomplete• Does not use any information found in resources	<ul style="list-style-type: none">• Uses little information found and discussed in the course	<ul style="list-style-type: none">• Uses only some of the information found and discussed in the course.• Additional sources are untrustworthy or not cited	<ul style="list-style-type: none">• Integrates information found and discussed in the course effectively• Additional sources are cited and trustworthy	<ul style="list-style-type: none">• Integrates and extends information found in the course effectively• Additional sources are cited and trustworthy

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Part 4: Buying a Home

Research houses for sale in the area you will be working in. Keep in mind the same list of needs you made in part 2. (You may go to mls.ca to search for houses in your chosen city)

Select one house that meets your needs. This house should be reasonably affordable given your chosen occupation (e.g. likely in the \$100,000 - \$400,000 range). For the property selected, summarize the convenience factors (close to work, type of driveway, size of yard, type of heating/cooling, etc.)

Research to determine the current mortgage rate(s) and the government taxes you may be responsible for paying on your new home. Determine the monthly payment required for a mortgage on this home using the following information:

- Include any taxes you determined into the selling price of the house
- Assume you make a 10% down payment (Money you received from friend/family)
- You will have a 25 year amortization period
- Payments will be made monthly and interest will be compounded semi-annually

Research and summarize the associated costs (property tax, heating, hydro, water) of owning a house on a per month basis.

Determine the total monthly cost of owning a home, considering the mortgage and any additional fees you have found.

Answer the following questions:

1. What are the advantages to buying this house over renting your chosen apartment?
2. What are the disadvantages of buying the house?
3. How much will you have paid for this house by the time you own it outright? Assume that you do not renegotiate your mortgage over the course of the mortgage.

Where Do I Live? Owning a House (Part 4):

No Level	Level 1	Level 2	Level 3	Level 4
<ul style="list-style-type: none">• Section not completed• No evidence of gathered data.• No associated housing costs found• No mortgage calculation	<ul style="list-style-type: none">• House meets very few of the “needs” specified by the student• House is unreasonably priced given the chosen occupation• Explanations and justification are partially understood• Associated housing costs are not reasonable• Incorrect mortgage calculation	<ul style="list-style-type: none">• House meets some of the “needs” specified by the student• Explanations and justifications are understandable to the teacher but not others• Some housing costs listed• Mortgage calculated with some errors	<ul style="list-style-type: none">• House meets most of the “needs” specified by the student• Explanations and justifications are clear for a range of audiences• Most housing costs and taxes listed• Mortgage calculated with 1-2 errors	<ul style="list-style-type: none">• House meets all “needs” specified by the student• Explanations and justifications are particularly clear and detailed• All necessary housing costs and taxes included• Mortgage calculated correctly with taxes and down payment considered

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Part 5: Considering Your Expenses and Making a Budget!

Create a detailed list of the expenses you think you will have when you start your career. Decide on whether you will be renting or buying a house. Consider what you will need (living space, transportation, clothing, food, etc.) as well as things you may want (internet, phone, entertainment, etc.). Estimate how much money you will spend on each of these items per month.

You should now have

- an estimated monthly income
- estimated monthly expenses
- estimated cost of living

Your net income is about 83% of your gross income. Create a monthly budget estimating your fixed expenses and variable expenses using the given template. Be sure it is **balanced** (all money must be accounted for).

The table below provides suggested guidelines from the financial industry for created a budget.

Expense Category	Portion of Monthly Net Income (%)
Housing and Utilities	27 – 33
Food and Clothing	20 – 26
Health and Personal Care	3 – 5
Transportation	12 – 14
Recreation and Education	6 – 8
Savings	6 – 10
Miscellaneous	12 – 18

Find the percentage of your income each category represents. Display it on a pie graph in Excel. Does your budget fall within the guidelines? If not, what changes can you make? Explain.

Budgeting My Money (Part 5):

No Level	Level 1	Level 2	Level 3	Level 4
<ul style="list-style-type: none"> • No budget submitted 	<ul style="list-style-type: none"> • Little care is taken to consider additional expenses. • The budget is created with little evidence of logic • Budgets are not closely aligned with incomes 	<ul style="list-style-type: none"> • Some care is taken to consider additional expenses. • The budget is created with logic that contains some gaps in reasoning • Budgets are reasonably complete but may exceed incomes 	<ul style="list-style-type: none"> • Additional expenses have been considered and are realistic. • The budget is created logically • Budgets are complete and do not exceed incomes 	<ul style="list-style-type: none"> • Great care has been taken to create a list of realistic expenses. • The budget is created logically with every step thoroughly explained • Budgets are complete and do not exceed incomes. Optional budgets are presented

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The Final Product

Please put all 5 parts of your budgeting project together and submit them.
You can either print the project or email the project to Mr. Gilbert.

*Please ensure that each section begins with the appropriate cover sheet (questions and rubric).

Overall Portfolio:

No Level	Level 1	Level 2	Level 3	Level 4
	<ul style="list-style-type: none">• Sometimes uses mathematical vocabulary correctly when expected• Selects and applies appropriate tools, with major errors, omissions, or mis-sequencing• Make weak connections• No plan is evident; work is disorganized	<ul style="list-style-type: none">• Often uses mathematical vocabulary correctly when expected• Selects and applies appropriate tools, with minor errors, omissions or mis-sequencing• Makes simple connections• Plan is evident but disorganized	<ul style="list-style-type: none">• Consistently uses mathematical vocabulary correctly when expected• Selects and applies appropriate tools, accurately, and logically sequenced• Makes appropriate connections• Plan reflect organized thinking	<ul style="list-style-type: none">• Consistently uses mathematical vocabulary correctly, recognizing novel opportunities for its use• Selects and applies most appropriate tools, accurately and logically sequenced• Makes strong connections• Plan is clear and complete with options included

Teacher Notes and Feedback