



This book is provided in digital form with the permission of the rightsholder as part of a Google project to make the world's books discoverable online.

The rightsholder has graciously given you the freedom to download all pages of this book. No additional commercial or other uses have been granted.

Please note that all copyrights remain reserved.

About Google Books

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Books helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

Real Life: This is Not a Game

Personal Finance for Young Adults

A learning activity for young people about income and expenses, needs and wants and the jobs and careers needed to pay for daily life and beyond.

8/2/17

© Nathan Nobis, Ph.D., 2017

Nathan.Nobis@gmail.com

www.NathanNobis.com

About this Book

This is a learning activity called “Real Life: This is not a Game.” It introduces kids and young adults to some basic concerns about personal finance: making money, paying bills, and more.

To play it, if you have it in electronic version, cut and paste this text into your own word processor and fill in the blanks. If you have a paperback, write down or type your answers and findings in some other way. This project may take several days to complete, or you can complete it in a “binge” also!

Contents

Real Life: This is not a Game

Day 1: Average Incomes

Day 2: Jobs & Careers

Day 3: Pick your Job or Career

Day 4: Areas of Expenses for Needs

Day 5: Areas of Expenses for Wants and their Costs

Day 6: Cost of Expenses for Needs

Day 7: Budget: Does Your Income Cover Your Expenses?

Lessons Learned

Real Life: This is not a Game

Real life, hopefully, is full of lots of fun and exciting and special activities and events with family and friends, and just by yourself sometimes.

But real life happens in the foreground of ordinary daily life. And lots of daily life is pretty ordinary stuff that many people often take for granted and don't notice: living somewhere, sleeping somewhere, eating, deciding what to wear, not getting too hot or cold, and having some fun and relaxation too, among much more.

For most adults, daily life happens because they have a job. They go usually somewhere (or they work from home), about 5 days a week, often for about 8 hours a day (or more!), to do work to get paid money so that they can pay for what they *need* and, sometimes, *want* for daily life.

True, there are some “stay at home parents,” who work in the home, but not for money, and are supported by their spouse's earnings. That was common in the 1950's (watch the show “Leave it to Beaver”), but that is rare now. In most cases, “stay at home parents” go back to their careers that they had before having children or get some kind of job outside the home at least when the child or children go to school. It's also common and expected that the parent who works outside the home will do more work around the house these days too. Times have changed!

This is a game to introduce young people to what's involved in daily life, specifically *paying* for what's needed for daily life. What people need for daily life isn't free - they

have to pay for it, with money -- and money doesn't grow on trees: nearly always, people have to work for it.

Here are some questions for you:

- Do you ever hope to move out of your parents' house, or will you always live with your parent(s) (by the way, they might not want or allow that!)? If you hope to someday move out, where will you move to? *How much will that cost, and how much money do you need to earn to pay for it?*
- Do you ever hope to get a car (or a new bike, or a new . . .) and don't think anyone will give you one or buy one for you? *If so, how much will that cost, and how much money do you need to earn to pay for it?*
- What else do you hope for the future? *Will any of it cost anything? If so, how will it be paid for?*

This game focuses on expenses of daily living. Thinking about these issues, and becoming aware of them, will help you get prepared for thinking about other financial (that is, money-related) questions, specifically those related to college and jobs. Here are more questions for you, about your future:

- Do you expect to go to college? Unlike grade school and middle and high school, college *usually* isn't free (but sometimes it is!), so how will that be paid for?

- What job(s) or career(s) might you want? Special education or training is required for many jobs, sometimes beyond college (called “graduate school” or “professional school”) and other types of jobs require different types of training. How much might that cost and how will that be paid for?

This game involves a lot of internet research and fact finding: how much do the things required for daily life cost? And how much money does someone typically earn at different jobs? And it involves some basic math: what can someone afford, given a particular *income* (money earned) at a particular job?

Here’s what we’ll do:

1. Determine an **income**, that is an amount of money earned at a job. To do this, you will research jobs (online) and find out how much they make.
2. Identify **expenses**, that is, the money you will have to spend on, at least, daily life. To do this, you will research jobs (online) and find out how much they make. Some obvious expenses include:
 - a. Housing: for example, renting an apartment.
 - b. Food: groceries and, if you can afford it, restaurants.

- c. “Utilities”: the electricity, gas (sometimes) and water, at least, for your housing and to cook with. There are other utilities also usually.
 - d. Other expenses: many expenses are surprising and you might not have ever heard of them. We’ll find those later.
3. Finally, you’ll do some **math** to see if your *income* is enough to pay for your *expenses*. Do you make enough money to buy or pay for what you *need*? Do you make enough money to pay for what you *want*?

Your tasks are to answer these questions, and then do some math and thinking about the results. Let’s begin:

Please fill in these boxes with your answers! Again, cut and paste this whole document into your own word processor and fill in the blanks. This project may take several days to complete, or you can complete it, or do parts of it, in a “binge” also!

Day 1: Average Incomes

Your income is how much money you earn or are paid at a job. In this section, we will research incomes.

As a start, what is the **average** income in the US? Find out per year, per month and per week.

“**Minimum wage**”: some, many, jobs pay *minimum wage*. What is that? How much might people who make minimum wage per year, per month and per week?

What is the *average* income for **high school graduates**, per year, per month and per week?

What is the *average* income for people who **do not graduate from high school**, per year, per month and per week?

--

What is the *average* income for those who have **some** college, per year, per month and per week?

(FYI: there are two main options for college, after high school: 2-year colleges, for what's called an Associate's degree, and 4-year colleges, for a Bachelor's degree. And people with different degrees, in different areas, often have very different earnings: people with some degrees, in certain fields, are more likely to earn more than people with other degrees.)

--

What is the *average* income for **four-year** college graduates, per year, per month and per week? (Optional: what's the average income for **four-year** college graduates, depending on major or area of study? Pick different *college majors* or areas of study and research those).

--

Other issues:

- For some jobs, you get paid on **commission**?
What's that?

- For some service jobs (like waiter or waitress), you get paid at least partially on **tips**? What's that?

Discussion and questions:

- What did you learn about income?
- What questions do you have about income?

Day 2: Jobs & Careers

What do people earn, on average, in different jobs or careers? Pick at least three jobs or careers and find out how much each typically earns, per year, per month and per week.

What's the difference between a job and a career? This isn't easy to say. Both jobs and careers (or the job that is your career) earn you money. A career, however, is often something that someone has put more personal investment in. They might see it as more related to who they are as a person. People sometimes say, "I don't want just a job, I want a *career*!" meaning something like they want a job that they have chosen and found important and meaningful.

In this section, we will explore some jobs. Our exploration has some rules:

A first rule: at most *only one* of these jobs or careers can be one that requires a degree or schooling beyond four years of college or a bachelor's degree, such as a doctor or lawyer.

A second rule: none of these jobs can involve being a celebrity or famous person. Many people would love to be a rich and famous actor or musician or athlete, or even some who is apparently famous for no reason at all. But these "jobs" are very, very rare and hard to get. We want to be a bit more realistic in this project and so we want to focus on careers that the average person has a decent chance of getting, if they want to and work hard at it.

Please write down what, if any, special schooling or training that these jobs or careers require, if you learn about that. (Later, you could find out how much that would cost, if you'd like).

Also, remember that to get into a career, you often start at in an “entry level” job. So, for example, almost nobody starts out as the President or Vice-President of a company, unless they have a lot of work experience behind them. If you want to be a Manager, you might start as an Assistant Manager or even at a “level” below that (the Assistant's Assistant?). Keep these concerns in mind as you search out jobs.

JOB OR CAREER 1 (and typical earnings):

JOB OR CAREER 2 (and typical earnings):

JOB OR CAREER 3 (and typical earnings):

Discussion and questions:

- What did you learn about jobs and careers, both in general and regarding particular jobs and careers?

- What questions do you have about jobs and careers?

Day 3: Pick your Job or Career

Given your research, what job or career would you like, *for this game*? You can, of course, “play again” with another job or career, which will you pick this time? And *why*? Why do you want this job?

And, what is the expected **income** for this job or career, per year, per month and per week?

Again, is this an entry level job? If not, what previous experience is needed for this job? What kind of education or training is needed?

Discussion and questions:

- What did you learn about this job or career?

A large, empty rectangular box with a thin black border, intended for a response.

- What questions do you have about it?

A large, empty rectangular box with a thin black border, intended for a response.

Day 4: Areas of Expenses for *NEEDS*

Now, you have a tentative plan for a job, that you will use to try to pay for what you need and want. So, let's make a list of needs and wants, and then figure out how much they will likely cost.

We will first focus on **needs**, not **wants**: **necessities**, not **luxuries**. Let's begin though by thinking a bit about what these are, with these questions:

Discussion questions:

- What's the difference between a **want** and a **need**, a **luxury** and a **necessity**? (Can something be both?).

There are often more and less expensive ways of meeting a need: for example, you might *need* a car to get to work, but you don't *need* a new top of the line sports car, and you might *need* a cell phone, but you don't need the newest and best phone available. Below, in section 5, when we discuss wants and luxuries we will try to focus on things that are *definitely* wants or luxuries, things that we really don't have to have.

One idea of a necessity is that of a "basic necessity," things that you need to stay alive and safe. We will include basic necessities but also needs beyond that. For example, you don't need a (cell) phone to stay alive, but you do need one in case your workplace needs to call you, and to keep in contact with your family, and for emergencies. But just

because you *need* some phone or other doesn't mean you *need* the newest top of the line phone.

With these concerns raised, let's turn to making some lists. You will likely need help making this list but first start on your own.

First, what are the typical expenses of daily life?

Now, using Google or another search engine, see what you find on a search for "household expenses" or "household budget". Enter those items here:

Now, show these lists to a parent or adult to see if they have any suggestions for what to add to these lists. They can help you find anything that's missing. Here are two possibilities:

Savings: should you save some money, for the future? If so, *why*? If so, how much?

Contributing to charities, or donating: should you contribute some money to a charity or charities? If so, why? If so, how much? And how will you

decide which charities to support?

Finally, take everything and make a big list of all the expenses you are likely to have. Try, as best you can, to put “more important” expenses near the top of the list, and any less important expenses near the bottom.

Discussion and questions:

- What did you learn about expenses for needs?

- What questions do you have about expenses for needs?

Day 5: Areas of Expenses for WANTS and their Costs

What’s above is mostly about what you need, not what you want: necessities not luxuries. What though are some things, or activities, that you want, say for fun? Make a list of those and their monthly costs. Later, we will see if you can afford these things, given what you earn:

EXPENSE AREA	MONTHLY COST
	Total expenses:

Add rows if needed.

Discussion and questions:

- What did you learn about expenses for wants?

--

- What questions do you have about expenses for wants?

--

Add rows if needed, and they probably would be needed.

Discussion and questions:

- What did you learn about expenses for needs?

--

- What questions do you have about expenses for needs?

--

Day 7: Budget: Does Your Income Cover Your Expenses?

Time for some math: add up your total monthly expenses and subtract them from your monthly income. What do you get? (Bonus activity: what percentage of total income is each expense?)

Do you have enough money to cover your **needs**? If not, what can you do? Do you have enough money for some of your **wants**? If not, what can you do?

Discussion and questions:

- What did you learn about income paying for expenses?

- What questions do you have about your income paying for expenses?



Lessons Learned

Given all this, what you have learned?

Does your income allow you to pay for your expenses?
Does it pay for your needs? Does it pay for your wants?

If your expenses are greater your income, what could you do? Are there any wants you should give up? Are there any needs that you can either give up or get in a less expensive way?

If your income pays for your expenses, what could you do with the money remaining? What should you with that money?

A horizontal rectangular box with a black border, intended for a user to write their response.

Again, given all this, what you have learned?

A large rectangular box with a black border, intended for a user to write their response.

Of course, you are welcome to “play again” using a different career and different expenses!

About the Author

Nathan Nobis, Ph.D., is an Associate Professor of Philosophy at Morehouse College, Atlanta, Georgia. He is the author of many articles and chapters on topics in ethics and moral philosophy. He is also the author of the book *Animal Ethics 101: Thinking Critically About Animal Rights*.

This booklet is related to ethics since a person's financial, educational and career-related choices have a significant impact on the quality of that person's life. These choices impact how that person can affect others for good.

This booklet was inspired by Professor Nobis's pre-teen daughter, and he hopes that it will help her, and other young people, make more informed and reflective choices about their futures.

Professor Nobis's webpage is at www.NathanNobis.com and he welcomes correspondence about this booklet.