Moving out of home — the fine print

Year level: Year 9 and 10

Duration: 60 minutes (lesson 2 of 2 connecting lessons)

Key learning area: English, Mathematics, *Economics and business

Lesson description

Students will continue to explore and further investigate the previously identified range of rookie errors associated with moving out of home by revising their learnings from the previous Moving out lesson.

In the second part of the lesson students complete activity worksheets to delve more deeply into the underlying complexities of common rookie errors and financial pitfalls of moving out of home. Students are shown where they can locate information about where to get help when lease and tenancy issues arise from moving out of home. The lesson concludes with students applying their richer knowledge of moving out of home rookie errors through the related MoneySmart ‘Moving out of home’ convo, in which they learn about tenancy arrangements.

Enduring understanding/deep learnings:

- There are costs and considerations related to moving out of home.
- You can save money and avoid 'rookie errors' if you research the one-off and ongoing costs related to moving out of home.
- A rental lease is a legal agreement and you may have legal problems if you cannot pay the monthly rent.
- You can access help from tenant unions, advocacy groups and government consumer agencies when lease and tenancy issues arise from moving out of home.

* Please note that this lesson plan has been aligned with the draft Economics and business curriculum. This mapping will be confirmed when the curriculum is endorsed.
Activity 1: Revision (5 minutes)

Task 1: Revision pair-up
Ask students to turn to the person next to them and tell them the most important thing they learnt about moving out of home in the previous lesson.

Task 2: Discussion
Seek a range of suggestions from the class and write them up on the board. Possible responses will include:

- there are a number of costs and living expenses involved with moving out of home
- lease and bond costs
- living expenses
- housemate compatibility issues.

Comment that some of these costs include utilities, phone, food, car, furniture, removalist fees, bond and connection fees. We are going to explore these expenses in more detail today.

Activity 2: Basic budgeting 101 (20 minutes)

Task 1: Distribute Worksheet 1: Basic budgeting 101.
Explain instructions to students. Students will be looking at the Under 25s section of the MoneySmart website and using the MoneySmart budget planner.

Students use the instructions and the hypothetical expenses on the worksheet to complete the budget planner. Students add the expenses by clicking on each tab.

*Teacher tip: Allow students to change or personalise the expenses on the worksheet if they wish.

Once students click on the ‘Summary’ tab they will see a breakdown and a summary of their annual spending. Point out to students that:

- earning more income than expenses is referred to as a surplus
- if you spend more than you earn, it is referred to as a shortfall or deficit.

*Teacher tip: Some students will need assistance with transferring the deficit figure from the budget planner to their worksheet. They may also need help with dividing the figure by 52 to determine the weekly income they require.

Students should have calculated a deficit/income required of $2,880 (or $440/week).

- Students should begin to realise that moving out of home is very expensive.
- This reinforces one of the messages in the MoneySmart Rookie ‘Moving out’ video - that ‘you need to almost double what you pay in rent to survive’.

Students then add other costs to their budget. After calculating a new annual deficit/income required, students are required to answer the question, “What can you do to improve your budget?”

Looking at the Under 25s section of the MoneySmart website at: https://www.moneysmart.gov.au/managing-your-money/budgeting/simple-ways-to-save-money will assist them with their answer.
Possible suggestions include:

- looking for somewhere with cheaper rent
- earn more money/get another job
- keep living expenses to a minimum
- house share (split the rent between two or more people)
- seek government housing assistance.

Task 2: Discussion

If appropriate or necessary, discuss the suggestions with the class. Point out the case study: ‘Sophie rents using credit’ on the Under 25s section of the Moneysmaert website at:


It should be noted that paying for living expenses using a credit card is not a good idea, unless you can afford to pay the debt off. You might find yourself still paying for this year's food in two years’ time!!

Also point out the list of other costs which may not have been included in the students' budgets (on the 'Leaving home' webpage, under the heading 'Setting up your new home'). These expenses include removalist fees, bond and connection fees.

Activity 3: The fine print on leases (20 minutes)

Task 1: Distribute Worksheet 2: The fine print on leases.

Students are required to go to the ‘Sorting out rental problems’ page in the Under 25s section of the MoneySmart website at: https://www.moneysmart.gov.au/life-events-and-you/under-25s/moving-out-of-home/sorting-out-rental-problems They need to click on the link for the Government consumer agencies/fair trading office which is relevant to their State or Territory. Students can use the information they find on the relevant website to help answer the following questions:

1. What is a ‘lease’ or ‘tenancy agreement’?
2. Outline what a lease or tenancy agreement covers.
3. Explain the main types of leases or tenancy agreements.
4. What responsibilities do landlords and estate agents have?
5. Explain what to do if you want to end a lease or tenancy agreement.
6. Explain what landlords or owners need to do if they want to end a lease or tenancy agreement.

Students complete all of the questions on the worksheet.

*Teacher tip: Students may need a demonstration of where to find information on each state or territory’s Government consumer agency/fair trading office website.

Task 2: Discussion

Discuss answers with students. Point out that:

- a lease or tenancy agreement is a legal contract between tenants and landlords.
- leases or agreements are usually for a fixed-term or period.
- landlords are generally required to give tenants a copy of the signed lease and information about the rights and obligations of the tenant and landlord.
landlords ending a lease generally need to do so in writing and the timeframes differ according to the reasons and state or territory.

- tenants are also expected to provide a written notice to vacate and the timeframe also varies according to the reasons and state or territory (periods of 14, 21 or 28 days are common).

Summative assessment

Students could be assessed by collecting then assessing Worksheet 2: The fine print on leases.

Activity 4: ‘Moving out of home’ practice conversation (10-15 minutes)

Practice conversation


Extension or homework activity

- Ask students to conduct an interview with a parent or family friend about their moving out of home for the first time. Students should find out if their parents or family friends made any rookie errors.

- Ask students to conduct an interview with the school welfare co-ordinator or a local youth services worker about moving out of home. Students could ask them for their ‘Top 5 tips’.
Lesson plan 2: Moving out of home

Resources

1. Calculator
2. Data projector/TV and DVD player or computer
3. ‘Moving out of home’ convo
4. Activity worksheet/s
5. Computers with internet access
6. ASIC’s MoneySmart and MoneySmart Teaching websites

Additional resources

This lesson plan is part of the MoneySmart Rookie suite of resources for educators which can be accessed at: http://teaching.moneysmart.gov.au/resource-centre/moneysmart-rookie-for-educators.

Other topics include:

- Credit and debt
- First car
- First job
- Mobile phone ownership
- Online financial transactions

The Under 25s section of the MoneySmart website has additional MoneySmart Rookie materials for young people including case studies, videos, tips and tools and calculators. These can be accessed at: https://www.moneysmart.gov.au/life-events-and-you/under-25s

The MoneySmart Teaching secondary package has a number of units of work related to this lesson plan. The package can be downloaded for free at: http://teaching.moneysmart.gov.au/professional-learning/moneysmart-teaching-packages

The Financial Health for Teachers personal learning program is designed to inspire and empower teachers to take charge of their financial lives and of the choices they make as consumers. Read current issues, or subscribe at http://teaching.moneysmart.gov.au/professional-learning/financial-health-for-teachers.

The Australian Taxation Office has developed Tax, Super and You, a resource to guide students learning about their future tax and superannuation obligations at http://www.taxsuperandyou.gov.au/

English Year 9 Could I live smaller?

- Online transactions, consumerism, shopping online

English Year 10 Teens talk money.

- Financial planning, online payments, budgeting

Mathematics Year 9 How can we obtain more money?

- Earning, managing and growing money, achieving goals, data analysis, statistics and samples.

Mathematics Year 10 Reaching goals: What’s involved?

- Setting goals and planning, compound interest in a range of financial contexts, risks and rewards of borrowing money
Worksheet 1: Basic budgeting 101

NAME: ___________________________________________

Use the Under 25s section of the MoneySmart website to work through the following activities:

Congratulations. You have been planning to move out of home for ages and you have just found the perfect place. A bargain, with rent at $250 a week! Two bedrooms, a garage and plenty of room to do your own thing! But can you actually afford it? You will need to do a budget.

Open the budget planner in the Under 25s section of the MoneySmart website by going to the ‘Budgeting’ page or by going to the following link: https://www.moneysmart.gov.au/tools-and-resources/calculators-and-tools/budget-planner.

Add the weekly rent into the appropriate cell on the ‘Financial commitments’ tab. Add the following expenses by clicking on the various tabs and finding the appropriate cells:

- Electricity $20
- Gas $10
- Water $10
- Internet $10
- Mobile $10
- Supermarket $30
- Fruit/veg $10
- Car insurance $20
- Car registration/licence $20
- Petrol $50

As you enter numbers you will notice the amount on the ‘Summary’ tab changing. When you have finished, click on the ‘Summary’ tab. This shows you a breakdown of your annual spending and a summary of your annual spending. Because you haven’t entered any income yet, you will have a shortfall. Write that amount in the space below.

The amount of money you will need to earn each year to cover these expenses? $ ___________

Divide this number by 52 to determine how much each week you will need to earn.

Write that amount here: $/week.  $ ___________

Wow! That’s a lot. Do you earn that much now? Yes/No

Note that your budget doesn’t include furniture, clothing, car maintenance, public transport, education costs or entertainment. Add in any other expenses which you think you might have to pay. These might include movies/music, loans you might be repaying, medical or dental expenses, hairdresser, gifts, restaurants and so on. You need to be honest!

What is your new shortfall? (How much do you need to earn each year to cover it?) $ ___________

Divide this number by 52 again to determine how much each week you will need to earn. Fill in the new amount/week: $ ___________

There sure are a lot of expenses (both one-off and ongoing) involved in moving out of home!


________________________________________________________________________________
________________________________________________________________________________
________________________________________________________________________________
Worksheet 2: The fine print on leases

NAME: ___________________________________________

Go to https://www.moneysmart.gov.au/life-events-and-you/under-25s/moving-out-of-home/sorting-out-rental-problems and find the ‘Government consumer agencies and fair trading offices section. Click on the link for the Government consumer agencies/fair trading office which is relevant to your State or Territory. Use the information you find there to help you answer the following questions:

1. What is a ‘lease’ or ‘tenancy agreement’?
   __________________________________________________
   __________________________________________________
   __________________________________________________

2. Outline what a lease or tenancy agreement covers.
   __________________________________________________
   __________________________________________________
   __________________________________________________
   __________________________________________________

3. Explain the main types of leases or tenancy agreements.
   __________________________________________________
   __________________________________________________
   __________________________________________________
   __________________________________________________

4. What responsibilities do landlords and estate agents have?
   __________________________________________________
   __________________________________________________
   __________________________________________________
   __________________________________________________

5. Explain what to do if you want to end a lease or tenancy agreement.
   __________________________________________________
   __________________________________________________
   __________________________________________________
   __________________________________________________

6. Explain what landlords or owners need to do if they want to end a lease or tenancy agreement.
   __________________________________________________
   __________________________________________________
   __________________________________________________
   __________________________________________________
Lesson plan 2: Moving out of home

Links to the Australian Curriculum and National Consumer and Financial Literacy Framework

Australian Curriculum content

English

- Understand how language use can have inclusive and exclusive social effects, and can empower or disempower people (ACELA1564) (Language/Language for interaction).
- Analyse and explain how text structures, language features and visual features of texts and the context in which texts are experienced may influence audience response (ACELT1641) (Literature/Responding to literature).

Mathematics

- Connect the compound interest formula to repeated applications of simple interest using appropriate digital technologies (ACMNA229) (Number and Algebra/Money and financial mathematics).

Economics and business

Year 9

- Ways of managing consumer and financial risks to individuals and the community.

Year 10

- The range of factors influencing consumer choice including marketing by financial institutions.

National Consumer and Financial Literacy student learnings

- Discuss and compare different sources of consumer and financial advice.
- Apply informed and assertive consumer decision making in a range of ‘real life’ contexts.
- Analyse relevant information to make informed choices when purchasing goods and services and/or to resolve consumer choices.
- Explain the procedures for resolving consumer disputes relating to a range of goods and services.

ASIC’s MoneySmart Teaching initiative builds the consumer and financial literacy capabilities of Australian school students by developing students’ knowledge, skills, values and behaviours to enable them to make confident, informed consumer choices and responsible financial decisions that are essential to their future financial wellbeing. To view the MoneySmart Teaching Primary and Secondary packages and all the online and digital resources visit www.teaching.moneysmart.gov.au