

Project Summary

Description: In this Common Core Standards-aligned project, students will assume the role of roommates deciding how to split costs of a shared apartment. The project focuses on negotiation, clear communication, and budgeting with a spreadsheet.

Estimated Time: 60 mins

Grouping: Groups of 3

Internet Usage: Optional

Spreadsheet Skills: Basic

Common Core Learning Standards

Mathematical Standards for Practice

- 4: Model with mathematics.
- 5: Use appropriate tools strategically.

Anchor Standards for Speaking and Listening

- 1: Prepare for and participate effectively in a range of conversations and collaborations; express ideas clearly and persuasively

Anchor Standards for Writing

- 2: Write informative/explanatory texts to examine and convey complex ideas and information clearly and accurately through the effective selection, organization, and analysis of content.
- 4: Produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience.
- 6: Use technology to produce and publish writing and to interact and collaborate with others.

Budgeting with Roommates

Right out of college, many young adults choose to live with roommates because of the cost saving advantages. That said, working out the budgeting logistics takes some effort.

Part I: Form your group

Ideally, you should be in a group of THREE students for this activity, because the apartment you're renting has three bedrooms, and the scenario is written for three roommates. **Decide which of you will play each roommate in the scenario.** If you have a different number in your group, use one of the following:

- If you're a group of TWO, remove one of the character scenarios, but make sure you divide shared costs by 2 instead of 3.
- If you're a group of FOUR, the fourth group member will play the role of "Out-of-Luck Friend," who finds themselves (1) without a job, (2) with an emergency savings account of \$3000, and (3) asking your group of friends if (s)he can crash at your 3-bedroom apartment until a job and their own apartment is found.

Part II: Review the roommate situation

Below are details for your apartment, your utilities, and each roommate.

The Apartment...

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| <ul style="list-style-type: none">• Three bedrooms• Rent is \$2250 per month• Two bathrooms, one attached to the large master bedroom and one off the hallway• One large bedroom (with a bathroom attached)• Two smaller bedrooms, about the same size, but one has 2 windows and the other has 1• Has a large living room but no separate dining room• Has a standard kitchen• Cable options in your area are \$0 for broadcast TV, \$80 for basic cable, \$125 for premium cable• Cable internet alone (no TV) is \$39 per month• \$115 for basic cable plus cable internet• \$125 for basic cable, cable internet, and a phone line• Cable bill is due by the 20th of each month; \$25 fee for late payment• Water is included in the cost of your rent• Renters insurance is roughly \$20, but each roommate must pay for his/her own, if desired | <ul style="list-style-type: none">• Rent must be mailed, one single check or money order, by the 10th of each month; \$250 fee for late payment• Apartment is eligible for one onsite covered parking garage spot (\$95/mo paid to landlord)• Optional uncovered parking lot spaces down the block (\$45/mo paid to landlord, who pays the city)• You've all got your own furniture, plus some random stuff your parents gave you to furnish the main rooms of the apartment• Your electric bill is different every month, based on usage, but averages \$110• Roommate A has a window AC unit for the living room, but using it adds an average of \$45/mo to the electric bill• Electric bill is due by the 22nd of each month; \$25 fee for late payment• Your gas bill (for cooking) also varies by month but averages \$28• Gas bill is due by 23rd of each month; \$25 fee for late payment |
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Roommate A... Name:

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| <ul style="list-style-type: none">• Has a time-consuming job that keeps them out of the house between 8am and 8pm most weekdays• Would love to get a dog and would prefer the big room so they can keep the dog's bed and crate in the bedroom• Loves sports and wants the basic cable package so they can watch ESPN when home | <ul style="list-style-type: none">• Owns a car• Has their finances in order in terms of steady income, not swimming in student debt, no credit card debt, etc.• Is pretty forgetful with deadlines• Typically eats a quick breakfast at home but eats lunch at the company cafeteria and eats a lot of takeout after they get home from work late |
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Roommate B... Name:

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|---|---|
| <ul style="list-style-type: none">• Does freelance work, so has periods of large income followed by periods of smaller income, depending on jobs• Is a really good cook and is willing to cook dinners for everyone (but cannot afford to buy all the groceries for all the meals)• Is not allergic, but really doesn't like dogs | <ul style="list-style-type: none">• Works from home and needs a space to set up a small desk area• Owns a car• Loves camping and goes on a lot of weekend trips• Does not watch a lot of TV, typically, but needs reliable internet access for work• Has large student loan debt to pay every month |
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Roommate C... Name:

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| <ul style="list-style-type: none">• Is a first-year teacher with a steady but low paying job• Has the summers off and plans to travel home to see the parents for 2 weeks and spend another 2 weeks on a roadtrip with friends• Is very organized and responsible• Has a significant other who is finishing college in another city and will spend long weekends at the apartment regularly | <ul style="list-style-type: none">• Needs to bring lunch to work and saves money by not dining out often• Owns a car• Is working on paying off student loans, a large credit card bill from college spending, and car payments• Hates dealing with cash, uses direct deposits, and has all personal bills set to auto-pay |
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Part III: Formulate a Roommate Plan

The challenge is to figure out a plan for how you'll be successful roommates and put it all in an easy-to-read roommate agreement that can be signed by each roommate once you agree on a plan.

- A. Copy and use this sample [Roommate Agreement](#).
- B. Be sure to consider and include (when applicable) the following items:
 - a. Who is taking which room? Are you all paying the same amount, or different, based on room?
 - b. Are there other considerations for which one roommate should pay higher rent than others? Does usage during the weekdays, weekends, or summers factor in?
 - c. How is your landlord getting the one check/money order for rent?
 - d. How is each utility bill getting paid?
 - e. Is each person paying the same for utilities or different rates?
 - f. Is one person in charge of ALL the payments? Or is one individual in charge of EACH bill? Or is there a different plan?
 - g. How will parking be handled?
 - h. Will everyone buy their own groceries? Will there be shared groceries? If so, who is buying them, who is eating them, and what's the budget?
 - i. Are there other factors from the scenarios you should include in the agreement?

Part IV: Create a Monthly Budget

Now that you've worked out a plan, copy and use this [Roommate Budget](#)¹ (one per group) to keep track of each roommate's monthly expenses and payment deadlines.

- You can add additional expenses, if you agreed to them, to the blank cells under the list of expenses.
- You should not include, in this budget, personal items that don't pertain to the roommate agreement. Examples:
 - If Roommate A is getting a dog, and it requires food for \$25/mo, that doesn't get included unless ALL roommates are splitting the cost.
 - Roommate C's summer travel costs would not appear here.

¹ [How To: Entering & Editing Data](#)