What are some things that you will have to be responsible for when you are living on your own? How would you go about accomplishing all of the things that you need to as an independent adult?

* paying for rent
* car insurance
* scheduling doctor’s appointments

Being an independent adult brings challenges, responsibilities and helps build character.
Being responsible is part of becoming an independent adult.

Have students brainstorm areas of responsibility.

Examples:

**Health Related Responsibilities**
- purchase your own health insurance
- pay your own medical bills
- schedule appointments
- take yourself to the doctor when you are sick

**Work/Financial Responsibilities**
- possess job skills, to obtain and maintain a job
- budget and manage your money
- open your own checking and savings account
- paying your bills**
  
  **This includes paying for gas for your car, insurance for car, house, and health, all utilities, rent, cell phone, internet and any other expenses as they arise.

**Housing Related Responsibilities**
- locate and maintain housing
What are some benefits of living on your own?
Patti German
In order to become independent, a person must learn to rely on themselves and believe in themselves. Become independent through self-pride and actualization with tips from a licensed marriage and family therapist in this free video on individual therapy. http://www.ehow.com/video_4984315_become-independent.html
Having a source of income or a job is a necessity to being independent. Getting a job can contribute to your self-growth and self-actualization. Here are some important factors to consider when getting a job:

**Appearance** - First impressions are important. What are some tips on grooming and selecting the appropriate clothing to develop a business-like appearance for employment interviews and the workplace? Even after you land the job, it is important to report to work with clean clothes and good hygiene.

**Attitude and Commitment** - Your attitude and sense of commitment will help you interview well. A good attitude and commitment toward the job and co-workers is important on the job. What do we mean by having a good attitude? What does it mean to be committed to your job?

**Child Care** - If you have a child, finding reliable child care that you feel comfortable with and that is best suited to your child's needs is important. Advance preparation is required.

**Dependability** - It is important to report for interviews or to work on time to establish your dependability. What are some tips to help you always be on time?

**Transportation** - Planning ahead is necessary to arrive at the interview or workplace on time. What are some tips for planning out the travel route and selecting the type of transportation prior to the interview or employment date?

It is important to continue your education once you graduate from high school. Remember, the more education and training you have (for example: industry certifications, associate’s degree) the more money you are likely to earn over your lifetime.
Discuss what this means. Revisit this concept at slide 18 - How to Successfully Manage Your Money!
Discuss what this means. Revisit this concept at slide 18 - How to Successfully Manage Your Money!
Most people, when they first move out on their own, will opt to rent an apartment or house. A lease requires a contract, a written agreement between the owner of a property and a renter who desires to have temporary possession of the property. As a minimum, the agreement identifies the parties, the property, term of the rental, and the amount of rent for the term.

**Meaning of Leasing vs. Renting**

They basically mean the same thing. The difference is the length of time a property is being rented.

A lease implies a longer term such as a year. If you're leasing, you've usually signed something saying you're committed to staying in that place for a certain length of time and will pay $xxx amount of rent every month for the term of that lease. There is no difference between renting and leasing a property. When you rent an apartment you are basically being leased a space. Unless you are the individual leasing the property, such as the landlord, renting an apartment and leasing one is the same thing.
Several Ways to Start Looking for an Apartment

- Personal references
- Newspaper
- Supermarket ad stands
- Shop around
- Internet

Personal references: Friends and colleagues might know apartments which are suitable for you.

Newspaper: This is still the most widely used advertising medium. The Sunday edition of your local paper has a real estate and rentals section.

Supermarkets and grocery stores often have free newsletters, classified ads, and publications at their exits which can be a good source to find an apartment.

Shop around: You can look around for vacancies. Locate apartment complexes with different amenities. Go in and ask about vacancies, prices and applications. If the office is closed, write down a phone number and call them the next day.

Internet: It offers a free service; search thousands of apartments and you can get exclusive specials. You can click for a customized list of apartments in minutes. Internet is the easiest and fastest to reach a rental office. There are several websites specialized in apartment renting. Research what amenities (like refrigerator, microwave oven, dishwasher, washer, dryer, fireplace, ceiling fan, garbage disposal) come with an apartment.
Submitting your application:

Things you will need in order to submit an application:

Application form: every person above age 18 who intends to live in the apartment must fill out an application form. Every apartment complex has its own dedicated set of forms, but the information you fill out on these are mostly the same.

These include most or all of the information below:

- **Personal information**: your name, phone number, driver’s license number, Social Security number.
- **Rental history**: most management companies will check your previous rental references. If you rented before, give that information. If you didn’t, give the address of your family where you lived before and ask your parents to serve as reference or a co-signer.
- **Employment information and history**: in order to ensure proper quality tenants, and to insure you can afford the apartment, the management company might check the prospective tenants’ employment background. If you have adequate employment and income evidence with your application, it will be adequate for approval.
- **Financial information**: can include the name of your bank, the type of accounts you have, credit cards you have, major loans, and obligations if applicable. This helps the management company to have a clear picture of your financial background. They often call your bank and check your financial information.

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<thead>
<tr>
<th>Items Required for Application</th>
<th>Items Required for Approval</th>
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<tbody>
<tr>
<td>Application form</td>
<td>Credit check fee/application fee</td>
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<tr>
<td>Personal information</td>
<td>Proof of income</td>
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<tr>
<td>Rental history</td>
<td>Holding deposit</td>
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<td>Employment information</td>
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<tr>
<td>Financial information</td>
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• Credit check fee/Application fee: when you apply for an apartment they will run a credit check on you. The credit check fee varies; it is usually about $25-50 per person or $40-100 for a couple. All the persons who intend to live in the apartment will have to have their credit checked. Usually they won’t accept cash; just money orders.
• Proof of income: you can show a letter from your employer or a copy of your check stubs to show proof of your income. As a rule of thumb, usually your monthly income should be at least 2.5 - 3 times higher than your monthly rent to qualify.
• A holding deposit: in order to process your application, some companies might request a deposit. If you don’t qualify and your application is not approved, you will get your deposit back in full. If you qualify and change your mind and decide not to move in, you will lose your holding deposit. If you decide to move in, the holding deposit will go toward the first month's rent.
10 Items You Will Need for Your First Apartment

- Bed
- Smoke alarm
- Carbon monoxide detector
- Couch
- Plates and silverware
- Dish soap
- Television
- Lamps
- Cleaning materials and paper towels
- Additional necessary furniture

Why are the items listed above important to have in your first apartment?

What other items are necessary in an apartment?
Renter’s insurance assures you that you’re protected against the damage or loss of personal property when you rent an apartment or house. Your landlord may have insurance that protects the physical building in which you reside, but this insurance will not cover your personal property. In fact, it’s not at all uncommon for landlords to require the purchase of renters insurance prior to renting or leasing. This is prudent for both the renter and the landlord, protecting both from the possibility of lawsuit by alleviating each other’s respective liability.

In determining whether or not you need renters insurance, the questions you need to ask yourself are:
• How much would it cost to replace my belongings if they were damaged or stolen?
• Can I afford to replace them?

Depending on your answer, renters insurance may be an easy choice, providing you with the protection you need. Either way, it’s reassuring to have the peace of mind that comes from being protected.

Things to consider before purchasing rental insurance:

**How Much Coverage?** – The amount of renters insurance you choose will have the biggest impact on price of coverage. It is important to insure against all of your property. Remember, you’re not just insuring against theft. In the case of a fire, for example, you could lose everything.
Deductible – The amount of the deductible premium that you're willing to pay will have a major impact on the premium costs. The higher the deductible, the lower the cost of home renters insurance.

Actual Cash Value (ACV) – Type of coverage that will pay for what the item was actually worth at the time of loss. This basic coverage payout is determined by the cost to replace, minus depreciation.

Replacement Cost – Type of coverage that will provide for the actual replacement value of the item with no deduction for depreciation. Although replacement cost coverage comes at an additional premium, it's usually worth the relatively small increase in cost.
Here are a few ways to save on renter’s insurance. Many insurers will offer discounts, if you have some of the following:

- Monitored fire or burglar alarms
- Fire extinguishers
- Sprinkler systems
- Dead bolts on all exterior doors
- Auto insurance with that provider

Renter’s insurance is relatively inexpensive. If you're looking for cheap renters insurance, it is not uncommon to see policies with premiums that are less than $20.00 a month.
Being an independent adult means you are responsible for your own health insurance. Depending on your parent’s insurance plan, you might be eligible to remain on their plan as long as you are attending school. If not, it wise to invest in an insurance plan.

What is health insurance?
Health insurance is a contract between you and your insurance company. You buy a plan or policy, and the company agrees to pay part of your medical expenses when you get sick or hurt. Even when you need care that costs more than you pay in premiums and deductibles, insurance will cover the care you need. A standard health insurance policy also gives you access to preventive care to keep you healthy, like vaccines and check-ups. Many plans also cover prescription drugs.
The Value of Health Insurance

Insurance protects you from high costs when something bad happens. No one plans to get sick or hurt, but most people need to get treated for an illness or injury at some point, and health insurance helps pay these costs. You get health insurance to protect you when you need medical care.

When you understand how health insurance works, it helps you be an informed consumer so you can find coverage that fits your needs.

Health insurance helps you pay for care
Did you know the average cost of a 3-day hospital stay is $30,000? Or that fixing a broken leg can cost up to $7,500? Having health insurance can help protect you from unexpected costs like these.

Your insurance policy will show what types of care, treatments and services are covered, including how much the insurance company will pay for different treatments in different situations.

What you pay for health insurance
You’ll usually pay a premium every month for health insurance, and you may also have to meet a deductible once each year before the insurance company starts to pay its share. How much you pay for your premium and deductible is based on the type of insurance you have. Just as important as the premium cost is how much you have to pay when you get services. Examples include:
How much you pay before your insurance coverage starts (a deductible)
What you pay out-of-pocket for services after you pay the deductible (coinsurance or copayments)
How much in total you’ll have to pay if you get sick (the out-of-pocket maximum)
What your policy covers is often directly related to how expensive the health insurance policy is.
The policy with the cheapest premium may not cover as many services and treatments.

5 things to know about health insurance
• There are many kinds of private health insurance policies. Different kinds of policies can offer very different kinds of benefits, and some can limit which doctors, hospitals, or other providers you can use.

• You may have to pay coinsurance or a copayment as your share of the cost when you get a medical service, like a doctor’s visit, hospital outpatient visit, or a prescription. Coinsurance is usually a percentage amount (for example, 20% of the total cost). A copayment is usually a set dollar amount (for example, you might pay $10 or $20 for a prescription or doctor's visit).

• You may have to pay a deductible each plan year before your insurance starts to pay. For example, let’s say you have a $200 deductible. You go to the doctor and the total cost is $250. You pay the first $200 to cover the deductible, and then your insurance starts to pay its share.

• Health insurance plans contract with networks of hospitals, doctors, pharmacies, and health care providers to take care of people in the plan. Depending on the type of policy you buy, your plan may only pay for your care when you get it from a provider in the plan’s network, or you may have to pay a bigger share of the bill.

• You may see products that look and sound like health insurance, but don’t give you the same protection as full health insurance. Some examples are policies that only cover certain diseases, policies that only cover you if you’re hurt in an accident, or plans that offer you discounts on health services. Don’t mistake insurance-like products for full comprehensive insurance protection. Full health insurance usually covers most medical problems.

• For more information visit: http://www.healthcare.gov/marketplace/about/value-of-health-insurance/index.html
How much do you think you will spend on food a week? In a month?

Note to teacher: You can assign this as enrichment activity or extra credit to the students.

People will spend thousands of dollars on food. For this reason, you want to be very knowledgeable when it comes to providing safe and nutritious foods for yourself.

**Recipe Finder**
Contains over 600 low cost, nutritious, and delicious recipes in both English and Spanish
http://recipefinder.nal.usda.gov

United States Department of Agriculture
Healthy Eating on a Budget. Eating healthy doesn't have to cost more. Use these tips and materials to help you make choices that are not only healthy but also economical.
http://www.choosemyplate.gov/healthy-eating-on-budget.html
Wardrobe planning can help you determine your needs and wants. Take inventory of your existing wardrobe. The inventory should also include all accessories such as belts, scarves, purses, and jewelry.

Do you really need another pair of jeans if you already have twelve pair in your closet? How many t-shirts do you own? Do you need a new jacket for the winter? Have you outgrown your pants? Do you have clothes that need to be repaired? Recycled?

How do you decide what to add to your wardrobe?
What is a fad?

How can you stretch your clothing dollar?

• It is wise to compare prices and the quality of the clothes between different brands and stores.
• Shop at factory outlets, consignment stores, resale stores, and discount stores.
• Look for coupons in your local newspaper, mail service, or on-line. End-of-season sales can be a bargain. Some items can be marked down 30%-50% off.
• If you know how to sew or know someone who does sew, sewing your own clothes can save you a substantial amount of money.
• Check the clothing construction of the garment; check the seams, buttons, and hem lines.
• Read the labels for use and care information. Know the fibers and fabrics that have been used. If it is a dry clean only item, you will be spending more money to care for the item.
• Check the fit, appearance and if you will be able to mix and match it with other items in your wardrobe.

• What kind of shopper are you? A bargain shopper? You only purchase the name brands? A conscientious shopper?
How to Successfully Manage Your Money

- Determine your needs and wants
- Use a systematic process.
- Become your own personal "accountant"
- Establish your priorities
- A decision-making process can help you make the best financial approach
- Keep accurate and current records of money

Organizing tasks and responsibilities can help you manage your individual resources such as finances, food, clothing, shelter, health care, recreation, transportation, time, and human capital.
Once your plan is put into action, evaluate your budget periodically. Is your plan working? Are you able to attain your goals with your plan? Is this plan helping you control your spending?

Money Management Plan

Income
- Allowance
- Wages
- Gifts
- Other

Total Income $ $ $

Expenses
- Fixed:
- Varied:

Total Expenses $ $ $

Balance $ $ $

Your money management plan consists of determining all your income from various sources and compiling a list of all your expenses. After you total all your income and expenses, subtract total expenses from total income to determine the balance amount.

How can a money management plan help you manage your money now and in the future? What are the differences between variable, fixed and discretionary expenses? Give examples of each. What are some contributing factors of a negative balance-when you have more expenses than income? What are some steps to avoid a negative balance?
Mint brings all your financial accounts together online, automatically categorizes your transactions, lets you set budgets & helps you achieve your savings goals.
http://youtu.be/rK6WLHNYjwM
Using the Cash Envelope System by Your Money Dr, Mildred Dillon CPA
Stop NSF charges at the bank and control your spending with the envelope system. Learn how from Your Money Dr, Mildred Dillon CPA
http://youtu.be/g4a3BAzjKRE
Do you think these budgeting tips could improve your money management skills? How often should you evaluate your budget plan? What changes in life would result in changes in the budget plan?
Having to adjust
You will have some adjustments to make as you start to live more independently. Some adjustment might be fun and exciting while others will be difficult.

Being alone
You might find this concept nice, but it could become challenging, especially if you are used to constantly being around others.

Lower standard of living
Don’t expect to be able to provide for yourself the same way that your parents currently do. Remember they have worked hard to get to where they are today.

Making your own meals
You will be responsible for buying your own groceries and preparing your own meals. If you choose to eat out all the time you find your budget will be difficult to manage. Do you know how to cook?

What about laundry? Do you know how to properly care for your clothes?
Having to Adjust

- Maintaining your home
- Taking care of yourself and your health
- What are some other adjustments that you might have to make when becoming an independent adult?

Maintaining your home
You will be responsible for the upkeep of your home/apartment. This includes everything from doing your laundry to replacing light bulbs, to even more difficult tasks.

Taking care of yourself and your health
You will have to purchase all the necessary items to keep up with your hygiene. You will have to regulate your own health. You will be responsible for getting and remembering to take your medications when needed as well as make your doctor’s appointments.

What are some other adjustments that you might have to make when becoming an independent adult?
Living as an independent adult will be fun, challenging, frustrating and open your world to new adventures and responsibilities.

Life Is Like A Cup of Coffee - Inspirational Video Movie
This video combines beautiful pictures, inspiring music, and a touching story to help empower people to live more fully.
http://youtu.be/U3NgzQ9Pcsq
Teacher Notes:
You will need to distribute the handout It’s Your Life: Get on Board project.

Read the directions and go over the rubric with the students.
References and Resources

Images: Microsoft Office 2007 Clip Art.

Textbooks

Websites:
Sperling’s Best Places
Search engine that finds the best places to live, work and retire.
http://www.bestplaces.net/

Texas Reality Check
Get a Reality Check. You will buy “stuff” for a sample month. We total it up for a year. Then we help you find careers that pay what you need.
http://www.texasrealitycheck.com

The Money Alert
Do You Need Renter’s Insurance?
http://www.themoneyalert.com/rentersinsurance.html

United States Census Bureau

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## References and Resources

**Video:**
- Patti German
  In order to become independent, a person must learn to rely on themselves and believe in themselves. Become independent through self-pride and actualization with tips from a licensed marriage and family therapist in this free video on individual therapy.

**YouTube:**
- Life Is Like A Cup of Coffee - Inspirational Video Movie
  This video combines beautiful pictures, inspiring music, and a touching story to help empower people to live more fully.
- Mint brings all your financial accounts together online, automatically categorizes your transactions, lets you set budgets & helps you achieve your saving goals.

- Using the Cash Envelope System by Your Money Dr. Mildred Dillon CPA
  Stop NSF charges at the bank and control your spending with the envelope system. Learn how from Your Money Dr, Mildred Dillon CPA.
  [http://youtu.be/npa8XSXHsB](http://youtu.be/npa8XSXHsB)