

## Learning Objectives

Students will be able to

- Identify different options for car ownership and the costs associated with these options
- Conduct online research regarding the true cost of car ownership
- Make decisions to budget effectively in order to meet your transportation needs

## Approximate Time

- Lesson length: 85 mins

## Jump\$tart Standards

Spending

- 2a: Select a product or service and describe the various factors that may influence a consumer's purchase decision
- 3a: Explain the factors to evaluate when buying a durable good
- 5b: Brainstorm consumer research strategies and resources to use when making purchase decisions

Managing Credit

- 6a: Identify examples of loans that may require down payments

## Distribute to Students

- [Student Activity Packet FY-6.6](#)

## Plan Your Unit

- [Unit Plan for Budgeting](#)
- [Budgeting on www.ngpf.org](#)
- [Customizable Parent Newsletter: Budgeting](#)



## LESSON PLAN

	Resources	Questions	Est. Time
1	<a href="#">DISCUSSION PROMPTS</a>	<p><b>Discussion Prompts</b></p> <p>Write your responses to the questions. Then, share what you wrote with your classmates or a partner.</p> <ol style="list-style-type: none"> <li>Do you have a dream car that you'd love to own and drive? <ul style="list-style-type: none"> <li>If so, what is it? Why do you want to own this specific car?</li> <li>If not, what qualities would you look for in a car?</li> </ul> </li> <li>What costs come with owning a car?</li> </ol>	5 mins
2	<p>INFOGRAPHIC</p> <ul style="list-style-type: none"> <li>• <a href="#">Understanding the Basics of Transportation Choice</a></li> <li>• Publisher: Mobility Lab</li> </ul>	<p><b>Understanding the Basics of Transportation Choice</b></p> <p>Review this infographic highlighting the variety of transportation options available and why people may choose them. Then, answer the questions.</p> <ol style="list-style-type: none"> <li>In your own words, describe why someone may choose to drive to work instead of taking public transportation.</li> <li>Think about where you currently live. Would you choose to drive to work or take public transportation? Explain.</li> </ol>	10 mins

<b>3</b>	<p>EDPUZZLE (3:18)</p> <ul style="list-style-type: none"> <li>• <a href="#">It's a Money Thing: Leasing vs. Buying a New Car</a></li> <li>• Publisher: Cal Poly Federal Credit Union</li> </ul>	<p><b>It's a Money Thing: Leasing vs. Buying a New Car</b></p> <p>The majority of Americans drive a car to school and work, so let's explore the financial implications of leasing a car or buying a car! Watch the video and learn more about leasing vs. buying a car. Then follow your teacher's directions to answer the questions either on your student activity packet or within the EdPuzzle itself.</p> <p><i>NOTE: EdPuzzle videos shuffle answer choices and do not always match the order provided in the lesson here.</i></p> <ol style="list-style-type: none"> <li>1. With which option do you own the vehicle at the end of the term? <ol style="list-style-type: none"> <li>a. Leasing</li> <li>b. Financing</li> </ol> </li> <li>2. Your LEASE payment is typically covering... <ol style="list-style-type: none"> <li>a. Insurance on the vehicle + interest</li> <li>b. The depreciation of the vehicle (loss of value) + interest</li> <li>c. The principal of your loan + interest</li> <li>d. Only the interest on the loan</li> </ol> </li> <li>3. Which statement most accurately describes the advantages and disadvantages of leasing a vehicle? <ol style="list-style-type: none"> <li>a. Leasing is always cheaper (in both the long and short term), but you do not own the vehicle at the end of the term.</li> <li>b. Leasing a vehicle provides a cheaper monthly payment and less overall maintenance, but typically has additional fees and provides no ownership at the end of the term.</li> <li>c. Leasing is a bit more expensive each month, but allows you to always drive a new vehicle.</li> <li>d. Leasing is typically cheaper per month and allows for cheaper auto insurance, but you do not own the vehicle at the end of the term.</li> </ol> </li> </ol>	<p>10 mins</p>
<b>4</b>	<p>VIDEO (1:17)</p> <ul style="list-style-type: none"> <li>• <a href="#">Buying New Cars vs. Choosing Used Vehicles</a></li> <li>• Publisher: One Minute Economics</li> </ul>	<p><b>Buying New Cars vs. Choosing Used Vehicles</b></p> <p>Let's pretend you've chosen to buy a car! The next question is do you buy a brand new one or used? Watch this short video to learn more about your options and then answer the questions.</p> <ol style="list-style-type: none"> <li>1. Based on the video you watched, do you think you would purchase a new or used car?</li> <li>2. What are the advantages and disadvantages of the decision you made?</li> </ol>	<p>5 mins</p>
<b>5</b>	<p>ACTIVITY</p> <ul style="list-style-type: none"> <li>• <a href="#">RESEARCH: Monthly Cost of Car Ownership</a></li> <li>• Publisher: NGPF</li> </ul>	<p><b>RESEARCH: Monthly Cost of Car Ownership</b></p> <p>Let's say that you decided to buy a used car! Complete this activity to determine the monthly amount you'll need to budget for car ownership.</p>	<p>35 mins</p>
<b>6</b>	<p>ARTICLE</p> <ul style="list-style-type: none"> <li>• <a href="#">3 Costs of Your Commute to Work</a></li> <li>• Publisher: Smart Asset</li> </ul>	<p><b>3 Costs of Your Commute to Work</b></p> <p>Now that you've determined the monthly cost of car ownership we need to explore how commuting ties into your transportation costs. Read the article and then answer the questions.</p>	<p>10 mins</p>

		<ol style="list-style-type: none"> <li>1. What are the different costs of commuting by car to work?</li> <li>2. What percentage of workers commute at least one hour each way?</li> <li>3. Hypothesize: Why do you think so many people have long commutes?</li> <li>4. How do you think you could save money if you have a long commute to work?</li> </ol>	
7	<p>INTERACTIVE</p> <ul style="list-style-type: none"> <li>• <a href="#">Cost of Commuting Calculator</a></li> <li>• Publisher: Omniride</li> </ul>	<p><b>Cost of Commuting Calculator</b></p> <p>When it's time to create your transportation budget, you'll want to anticipate how much your commute will cost you. Use the calculator to answer the questions. Note: This resource is from Virginia, but can be used for any area.</p> <ol style="list-style-type: none"> <li>1. Your friend Anthony just received his first job offer, but he has a 30-minute (20-mile) commute to work by car. Use the Cost of Commuting Calculator to determine his total monthly cost of driving to work. Assume he works 21 days per month, averages 25 miles per gallon, and does not pay for parking.</li> <li>2. Could Anthony save money by using public transportation? Input the cost of public transit in your area for the last question "How much would it cost ROUND-TRIP each day to ride on PRTC?". If you don't have public transit options locally, research the costs in the nearest city that does.</li> <li>3. Anthony has already factored financing, insurance, taxes, and depreciation into his budget when he decided to get a car. If he excludes those costs on the calculator, how much should he budget each month for his commute?</li> </ol>	5 mins
8	<p>EXIT TICKET</p> <p>❖ <b>Teacher Tip:</b> To access this Exit Ticket, please see the Sample Completed Student Activity Packet (SSAP). You can find this on the <a href="#">Unit Page</a> this resource is in.</p>	<p><b>Exit Ticket</b></p> <p>Follow your teacher's directions to complete the Exit Ticket.</p>	5 mins



## EXTEND THE LEARNING

### DO MORE...

#### ACTIVITIES

- [MATH: Calculating Percentages](#)
- Publisher: NGPF

### LEARN MORE...

#### INFOGRAPHIC

- [Cars Still Dominate the American Commute](#)
- Publisher: Statista

- [MATH: Depreciation of Car Value](#)
- Publisher: NGPF

#### FINCAP FRIDAY

- [Drive Well, Pay Less](#)
- Publisher: NGPF

#### INTERACTIVE

- [Quizlet Vocabulary | Budgeting](#)
- Publisher: NGPF

#### QUESTIONS OF THE DAY

- [What percent of high school seniors have a driver's license?](#)
- Publisher: NGPF
- [What's the cost of not shopping around for an auto loan?](#)
- Publisher: NGPF

#### VIDEO

- [What are the True Costs of Car Ownership?](#)
- Publisher: Bank of America

### FAST FACTS...

- In May of 2019, the average price of a new car purchased in the U.S. climbed to \$36,718 (CNBC, 2019)
- The national average cost of car insurance is \$1,427 per year, according to NerdWallet's 2020 rate analysis. (NerdWallet, 2020)
- An average American household can expect to spend about 1.5 percent of its annual income, or about \$817 a year, on car repairs for its two (or more statistically accurate, 1.9) vehicles. (Liberty Mutual, 2019)