



## UNIT 4

# FINDING A HOME IN YOUR COMMUNITY

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We all require some form of shelter whether it be an apartment, a condominium, house, duplex, mobile home, or some other alternative. These housing choices can be rented or purchased with the cost generally comprising thirty percent of our monthly budget. In 2000, the median price of an existing home was \$133,400. A purchase of this nature requires an informed and well-thought decision.

In this lesson, students will examine some of the decision-making processes that are involved in selecting a home. They will also analyze the results of a national survey to determine how people spend their time at home.

### Student Learning Objectives:

- Students will compare and contrast factors to consider when renting or purchasing housing.
- Students will evaluate factors to consider in looking for the right home.
- Students will conduct surveys to determine how people in their community use their time at home. They will then compare and contrast their results with the results a national survey of how “Americans Use Their Time.”

### Key Concepts:

cost-benefit analysis  
opportunity cost  
scarcity  
trade-offs

## **LESSON 4-1: FINDING THE RIGHT HOME FOR YOU**

The decision to rent or buy is one many young people will face soon after high school graduation. In this lesson, the students will compare and contrast factors to consider when renting or purchasing housing. In addition, the students will evaluate factors to consider in looking for the right home. They will evaluate these factors in relationship to their own wants.

### **Materials Needed:**

- Duplicate *Activity Sheet 4-1: To Rent or To Buy* and *Activity Sheet 4-2: Factors for Consideration* for each member of the class.

### **Teaching the Lesson:**

1. Introduce the lesson to the students by asking them to list advantages of renting and advantages of buying. Write student responses on the chalkboard or on a overhead transparency for easy reference. *(Possible advantages of renting might include: no down payment needed; greater mobility if moving soon; no maintenance costs; no responsibility of ownership, etc. Advantages of buying might include: able to live in same location for extended period; tax benefits; independence and security; investment potential, etc.)*
2. Tell students that they will be evaluating the choice to rent or to buy. Explain to students that we all face **trade-offs**, or alternative choices, when decisions are made. In other words, we often have to make a choice because we do not have enough time, money, or other resources to do all of the things that we would like to do. The value of the next best alternative not selected whenever we make a choice is called the **opportunity cost** of that choice. (The **cost-benefit analysis** model featured is based on the National Council on Economic Education's PACED Decision Making Model. This is a five-step model used to develop decision-making skills. The steps are as follows: State the **P**roblem; List the **A**lternatives; List the **C**riteria; **E**valuate each Alternative; and Make a **D**ecision.)
3. Explain to students that they will be using cost-benefit analysis to determine the factors they will need to consider in making the decision to rent or to buy. Divide students into small groups or pairs. Assign each group a different family lifestyle to consider. Lifestyles could include: a recent college graduate in an entry level professional job, a high school graduate in a manufacturing job, a single parent with 2 children, a retired couple with a limited income, a married couple with a child in high school, a young married couple with steady jobs, etc.)

Each groups should have different family lifestyles. You may wish to allow the students to determine their lifestyles.

4. Distribute a copy of *Activity Sheet 4-1: To Rent or To Buy* to each student or pair of students. Have students complete the cost-benefit analysis grid. Discuss student responses to the analysis. What were similarities and difference between the conclusions of each group? What were the common reasons for renting? For buying?
5. Explain to students now that they have decided if they will rent or buy, they will need to decide what features or factors are most important in their home.
6. Distribute a copy of *Activity Sheet 4-2: Factors to Consider* to each student or pair of students. Explain that students will need to examine the features and rank them by importance. After students have ranked the features, inform them that they are faced with a scarcity situation (i.e.-not enough money, need for shorter commute, etc.) and they must select the five most important features of their new home.
7. Have students complete the activity sheet and discuss their responses. What features did students find most important? What system did they develop to determine the most important factors?

### **Debriefing the Lesson**

Explain to the students that the decision to rent or to buy is a complicated issue. According to Peter G. Miller, there are several cases when renting might be more beneficial than ownership. This includes: if you will be in an area for a short period of time, three years or less; if the local economy is bad and getting worse with employment levels dropping; when there are better returns with equal risk available elsewhere; if your future income will not be enough to support house payments; or if you are in the midst of marital turmoil. (Source: <http://www.realtor.com/>).

After the decision to rent or to buy is made, the consumer must decide what factors are most important in a home. Although many of us have multiple factors that we would like in a home, we cannot always afford every option. This results in having to conduct a cost-benefit analysis of the advantages and disadvantages of each choice.

## **LESSON 4-2: THE TIME FOR LIFE SURVEY**

As life gets increasingly complicated, it may seem that we are spending increasingly less time at home. This is not true according to a recent survey conducted by Dr. John P. Robinson, a sociology professor at the University of Maryland and co-author of the book, *Time for Life: The Surprising Way Americans Use Their Time*. In this lessons students will examine some of the results of the survey and conduct surveys of their own for comparison purposes.

## **Materials Needed:**

- Duplicate copies of *Activity Sheet 4-3: How Do You Spend Your Time?* for each student.

## **Teaching the Lesson:**

1. Ask students to independently make a list of how they spend their time at home. Have students approximate the amount of time spent in each room of their house. How long do they spend in the living room, family room or den? The kitchen? The patio, garden, or yard? The bathroom? The dining room? A home office or study? The utility room or laundry room? The basement? The bedroom?
2. Compare student responses with one another. How are they similar? Different? How do students think their parents or others might estimate their time? What **opportunity costs** are incurred because of their choices?
3. Tell students that researchers at the University of Maryland and Penn State University have been conducting surveys of how people use their time at home. These researchers have been conducting the survey for the past 34 years. The latest results are from a survey of 9,300 people from across the country. These respondents represent singles, couples, families and groups who live in all types of homes.
4. Tell students that they will be conducting similar research on themselves and members of their families. Distribute copies of *Activity Sheet 4-3: How Do You Spend Your Time?* to each student. Review the activity sheet directions with students. Allow students at least 24 hours to complete their surveys.
5. The results of the actual “Time for Life” survey indicated that Americans spend about 16 hours in and around the home daily. Specifically, this time is spent as follows:
  - 8 hours and 35 minutes are spend in the bedroom sleeping, watching television, exercising, and shining shoes
  - 3 hours and 23 minutes in the living room, family room or den—this space doubles as an eating and lounging space
  - 1 hour and 19 minutes in the kitchen
  - 58 minutes moving room to room
  - 12 minutes in the dining room—most of us rarely use this room for eating
  - 27 minutes in the bathroom
  - 29 minutes in the patio, garden, or yard—mostly doing yard work
  - 5 minutes in the laundry or utility room
  - 4.5 minutes in the basement—to retrieve items from storage, do laundry, or check for flooding

3 minutes in and out of the house  
2 minutes in the garage

6. Have students compare and contrast the results of their surveys and the Robinson survey. Does their behavior match that of the national survey? How does it compare? How is it different? What differences can be seen between the way males and females spend their time at home? Are there any differences based on age?

### **Debriefing the Lesson**

As life gets increasingly complicated, it may seem that we are spending increasingly less time at home. This is not true according to a recent survey conducted by Dr. John P. Robinson, a sociology professor at the University of Maryland and co-author of the book, *Time for Life: The Surprising Way Americans Use Their Time*. In this lessons students will examine some of the results of the survey and conduct surveys of their own for comparison purposes.

## **UNIT RESOURCES:**



### **Community Resources:**

- Invite a sociologist or professor from a local university to speak with the class about the role of home in our society. Have students predict how time will be spent in homes of the future. How will changes in technology affect their time? Changes in the workplace?
- Invite a real estate agent, broker, or builder to speak with the class about the different factors that people must consider in purchasing or renting a home. Have students compare these factors across different regions of the country. How are these factors similar or different across the regions? What effects do population density, climate, economic conditions, and culture play in the importance of various factors?



### **Teacher Resources:**

- [Yes You Can Own a Home](http://www.kyhousing.org) Kentucky Housing Corporation. Course booklet that provides basic information to first time homebuyers; designed to be used as part of a class for potential home buyers. Available at <http://www.kyhousing.org>.



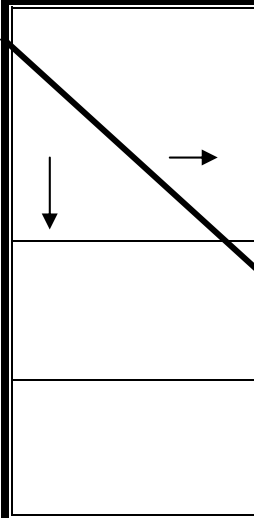
### **World Wide Web Resources:**

<http://www.census.org> The United States Census Bureau's web site; features information about people, business, geography, news, and special topics. Users are able to access data and publications.

<http://www.EconSources.com> Excellent source for general economic information, sources of data, and teacher resources in economic education

**Directions:** Using your family lifestyle complete the cost-benefit analysis grid below to evaluate the advantages and disadvantages of renting versus buying. After you have brainstormed several points for each housing option, discuss the choice of the housing that would best meet the needs of your family lifestyle. Complete the analysis by using these five steps in the decision making model:



Now that you have made your decision, write a persuasive argument to justify your choice. Is it ever better to rent than to own? What are advantages and disadvantages of each option? How did these relate to your final decision?

## ACTIVITY SHEET 4-2 FACTORS TO CONSIDER

**Directions:** Using the feature checklist below, answer the following questions.



age of home	utilities	aluminum siding
area zoned residential	brick frame	central air-conditioning
estimated electric bill	estimated water bill	flooding danger
garage	garbage collection	near churches
near doctors/dentists	near expressways	near industry
near public transportation	near schools	near shopping
near train or airport	near work	neighborhood
neighborhood restrictions	number of bathrooms	number of bedrooms
number of closets	number of floors	parks
price	sidewalks	street lights
traffic volume	type of heat	wood frame
window treatments	appliances	security

1. Rank the features above according to your family lifestyle.

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2. Unfortunately, you are faced with a scarcity situation and are unable to have all of the features you desire in your home. You must select your top five features that you will have in your home. List these features and then justify your choices. Why did you make the choices as you did?

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## ACTIVITY SHEET 4-3 HOW DO YOU SPEND YOUR TIME?

**Directions:** Using the chart below, complete the amount of time you spend in each room of your house. answer the following questions.



1. Select the *homeownership* link from the list. Read the information and examine the graph. What are some trends that you see in homeownership rates analyzed? Are there differences between the national rates and the rates for your state?

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Have students approximate the amount of time spent in each room of their house. How long do they spend in the living room, family room or den? The kitchen? The patio, garden, or yard? The bathroom? The Dining room? A home office or study? The utility room or laundry room? The basement? The bedroom

Room	Amount of Time	Person Using Room

