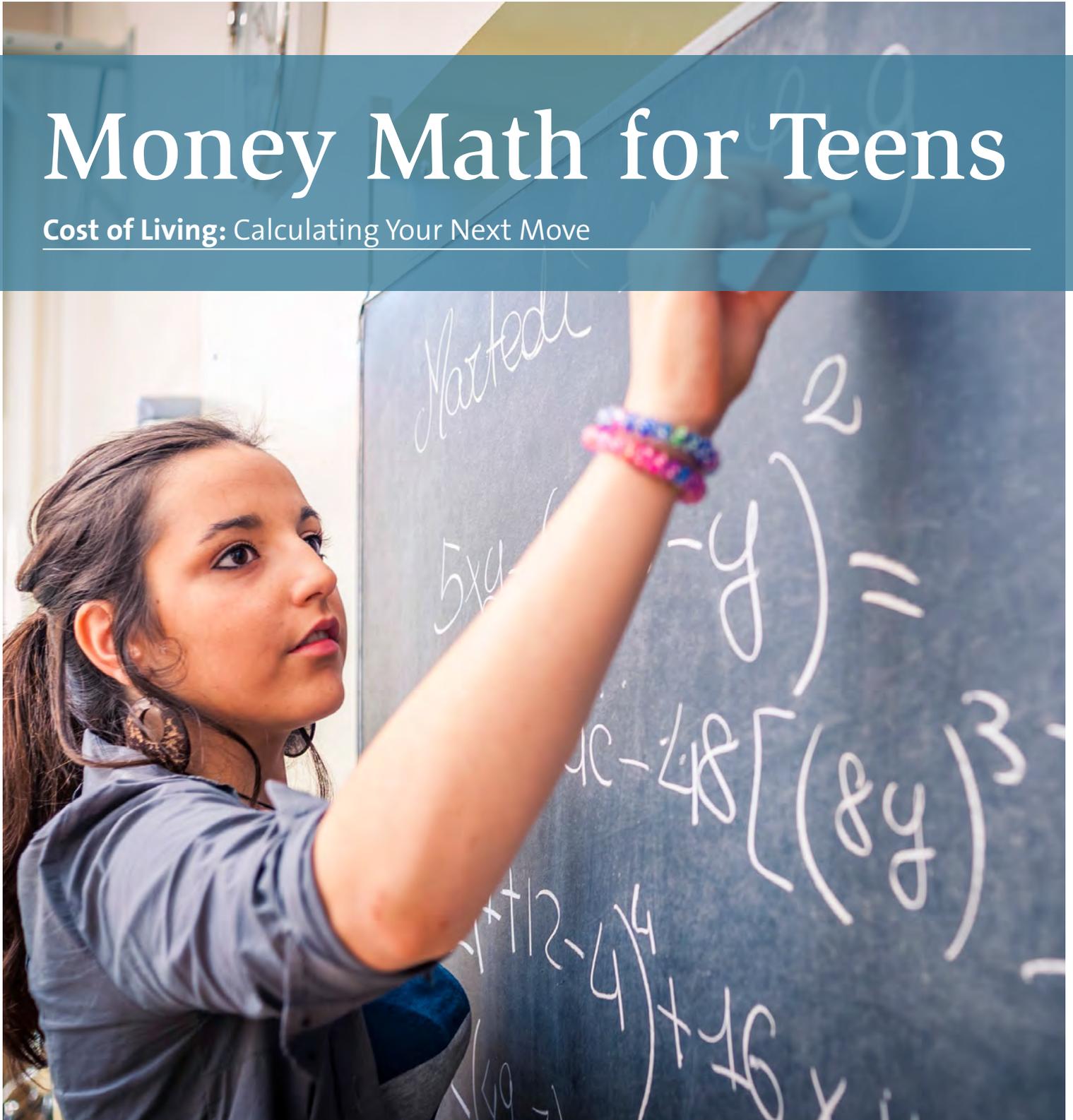


# Money Math for Teens

**Cost of Living:** Calculating Your Next Move





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*This Money Math for Teens lesson is part of a series created by Generation Money, a multimedia financial literacy initiative of the FINRA Investor Education Foundation, Channel One News and America Saves.*

*Special thanks to Rudy Gawron for preparing the lesson and to Jill Sulam of Transformations Editing LLC for editorial guidance.*

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# Cost of Living: Calculating Your Next Move

## Lesson Plan

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### OBJECTIVE

This lesson introduces students to online cost of living calculators, which they will use to determine the relative increase in salary they must achieve or decrease they could accept to maintain their current standard of living in a new location.

Students will:

- ▶ Successfully use an online cost of living calculator to gather data on the cost of housing, goods, and services in various US cities
- ▶ Determine how much their salary would need to increase or could decrease to maintain their standard of living in a new city.

### TEACHING MATERIALS

- ▶ Lesson plan, including answers for lesson activity
- ▶ Student handout with lesson activity and exit ticket activity

### LESSON ACTIVITY

- 1. Introduction.** Ask students to look at the map of the United States on the student handout and follow along as you read the following:
  - Somewhere on this map is where you live and will graduate from high school.
  - Somewhere on this map is where you will further your education in pursuit of a career, either by attending college or by some other means of training.
  - Somewhere on this map is where you will land your first position and establish yourself and your *standard of living* (defined as the level of material comfort, physical well-being, and access to services and leisure available to a person).





## Cost of Living: Calculating Your Next Move

After students ponder this, ask them to think about these questions:

- ▶ Once you've gotten started in this location, what might be next? Where could opportunity knock? Where do you think life will take you?

Students will return to these questions during the exit ticket activity at the end of the lesson.

- 2. Purpose of the lesson.** Tell students that part of the object of today's lesson is to determine how they might answer these questions, but first they must learn how to use data to figure out whether they can maintain their standard of living if a job opportunity arises in a new location. They will learn to compare the cost of living in different cities and states using online calculators that take into account the cost of housing and common goods and services in different parts of the country.

- 3. Scenario.** Read the following scenario aloud:

Let's say you currently live in Abilene, Texas. You are working and earn a salary of **\$30,000/year**. Your standard of living is based in part on the salary you earn. You make enough money to pay for a place to live, transportation, food, and other expenses.

Now, let's say you wish to relocate to San Francisco, California, or maybe you are currently evaluating a job offer in San Francisco. What is the cost of living in San Francisco compared to Abilene? Is San Francisco a more expensive place to live? Less expensive? About the same?

Knowing what the cost of living in a new location is can be very useful when considering a job offer or when planning a tactical move to a new place. Data on the cost of living in San Francisco and in Abilene can help you figure out whether a move to California is practical. For one thing, California has a state income tax rate of up to 12.3%, while Texas has no state income tax at all.

If you want to keep your standard of living the same in San Francisco as it is in Abilene, it would be helpful to know what a comparable salary would look like in San Francisco. As it turns out, it is more expensive to live in San Francisco than in Abilene. In fact, you would have to earn **\$52,875.40** to maintain the same standard of living in San Francisco that you currently have in Abilene. But how do we know this?

Let's do a little math.

- 4. Salary difference formula.** Tell students that they can determine the difference between two salaries that would provide the same standard of living by using the following formula:

$$\text{Percent Change} = \left( \frac{\text{New Salary} - \text{Old Salary}}{\text{Old Salary}} \right) \times 100$$



## Cost of Living: Calculating Your Next Move

The examples below show how to calculate the salary increase or salary decrease that would keep one's standard of living constant. Review each with your students.

- ▶ Because moving from Abilene to San Francisco requires an *increase* in salary to maintain the same standard of living, the formula looks like this:

$$\text{Percent Change} = \left( \frac{\text{New Salary} - \text{Old Salary}}{\text{Old Salary}} \right) \times 100$$

$$\text{Percent Change} = \left( \frac{52875.40 - 30000}{30000} \right) \times 100$$

$$\text{Percent Change} = \left( \frac{22875.40}{30000} \right) \times 100$$

$$\text{Percent Change} = (0.762513) \times 100$$

$$\text{Percent Change} = \mathbf{76.25\% \text{ increase}}$$
 required

- ▶ If the situation were reversed and you were considering a move *from* San Francisco *to* Abilene, because the cost of living in Abilene is *less* than the cost of living in San Francisco, the percent change required to maintain the same standard of living would be *negative*.

$$\text{Percent Change} = \left( \frac{\text{New Salary} - \text{Old Salary}}{\text{Old Salary}} \right) \times 100$$

$$\text{Percent Change} = \left( \frac{30000 - 52875.40}{52875.40} \right) \times 100$$

$$\text{Percent Change} = \left( \frac{-22875.40}{52875.40} \right) \times 100$$

$$\text{Percent Change} = -(0.43263) \times 100$$

$$\text{Percent Change} = \mathbf{43.26\% \text{ decrease}}$$
 acceptable



## Cost of Living: Calculating Your Next Move

- 5. Using a cost of living calculator.** It might seem as if we simply pulled the San Francisco equivalent salary (\$52,875.40) out of the air, but we didn't. We can use an online calculator to compare the cost of living in two locations and determine equivalent salaries for both places. These calculators take into account local costs for housing, energy, healthcare, food, and other goods and services, as well as mortgage rates. Of course, the costs cited for these items are an estimate, as prices for goods and services change all the time. The price of gasoline, for example, can and does change on a daily basis.

Be sure to mention that students might get different cost of living estimates from different online calculators. The formulas and data each calculator uses to determine estimates may differ, yielding different results; however, as you will see, the message is usually the same. These calculators can give students a relative estimate that will help in their decision-making process.

- 6. Introduce the Bankrate cost of living calculator.** Tell students that they will begin by using the cost of living calculator at Bankrate.com:

[www.bankrate.com/calculators/savings/moving-cost-of-living-calculator.aspx](http://www.bankrate.com/calculators/savings/moving-cost-of-living-calculator.aspx)

The page will look like the screenshot below:

**Bankrate** Home Rates Calculators Mobile

MORTGAGES BANK RATES CREDIT CARDS INSURANCE AUTO INVESTMENTS

### Cost of Living Calculator

Use the calculator below to compare the cost of living in two cities. Simply enter your current income, select your current city, as well as the city you are relocating to and click calculate. The cost of living calculator will provide you with the equivalent income needed to maintain your current standard of living.

Change the values below and refresh listing to view the comparison.

City you are moving from: Abilene TX Metro

City you are moving to: San Francisco-Redwood City-South San Francisco CA Metro Div.

Enter your current income:\$ 30000

Refresh Listing

Students should note that the **City you are moving from** dropdown box is already programmed with **Abilene, TX**. Tell students:

- ▶ Open the **City you are moving to** dropdown box and select **San Francisco**.
- ▶ In the **Enter your current income:\$** box, change the value to **30000**, then click the **Refresh Listing** button.



## Cost of Living: Calculating Your Next Move

The calculator returns:

[Refresh Listing](#)

Equivalent income in the city you are moving to: **\$52875.40**. 

Percent increase to maintain standard of living: **76.25%**.

Product	Abilene TX Metro	San Francisco-Redwood City-South San Francisco CA Metro Div.	Difference
Home Price	\$278,302.00	\$936,360.00	\$658,058.00
Payment + Interest	\$1,007.00	\$3,448.00	\$2,441.00
Apt. Rent	\$904.00	\$3,086.00	\$2,182.00
Lipitor	\$271.52	\$252.67	\$18.85
Total Energy	\$130.12	\$192.66	\$62.54

Call students' attention to the text next to the red arrow above (visible in the student handout but not on the screen) and discuss the results.

- ▶ An equivalent salary of **\$52,875.40** is needed in San Francisco to maintain the same standard of living that a \$30,000 salary provides in Abilene, TX. This is a **76.3% increase**. We did the math earlier to verify that percent increase.
- ▶ The table directly below these results shows a long list of comparison prices for everything from housing/rent to energy, food, goods, and services.
- ▶ Note that the **Difference** column shows the differences between Abilene and San Francisco prices in dollars, not percentage.

Look closely at some of the prices. Prices that are only a few dollars higher might actually represent a large percentage of change. For example:

Dentist visit: **\$69.33** in Abilene, **\$120.50** in San Francisco

The price difference is **\$51.17**, or  $51.17/69.33 = 0.7381$ , or **73.8% higher**.

This is an estimate, as stated earlier, because the price of things changes, but the message is that San Francisco is a more expensive place to live than Abilene.

- 7. Student practice.** Tell students to try this activity on their own. The table below lists 11 other cities they can compare with Abilene. Have students:
- ▶ Use the Bankrate calculator to find the **New Salary** for each city in the table.
  - ▶ Record the **% Difference** from Abilene to the new destination.
  - ▶ Look at the **Difference** column in the calculator results. In the **Of Note** column of the table, they should record any *significant* differences in the cost of the items listed in the calculator results.



## Cost of Living: Calculating Your Next Move

**\*Instructor note:** In the student handout, only columns 1 through 3 are filled in. The following table has been completed for your convenience. **Important:** The information in columns 4 through 6 may need to be updated immediately before teaching the lesson.

### Data from Bankrate Cost of Living Calculator

From City	Salary	To City	New Salary	% Difference	Of Note
Abilene, TX	\$30,000	Seattle, WA	\$41,948.88	39.83%	Home Prices
					Apt Rents
Abilene, TX	\$30,000	San Diego, CA	\$43,354.63	44.52%	Home Prices
					Apt Rents
Abilene, TX	\$30,000	Las Vegas, NV	\$34,057.51	13.53%	Home Prices
Abilene, TX	\$30,000	Salt Lake City, UT	\$30,511.18	1.70%	
Abilene, TX	\$30,000	Denver, CO	\$34,504.79	15.02%	Home Prices
Abilene, TX	\$30,000	Phoenix, AZ	\$30,575.08	1.92%	
Abilene, TX	\$30,000	Topeka, KS	\$30,031.95	0.11%	Home Prices Lower
Abilene, TX	\$30,000	Minneapolis, MN	\$34,185.30	13.95%	Home Prices
Abilene, TX	\$30,000	Chicago, IL	\$36,549.52	21.83%	Home Prices
Abilene, TX	\$30,000	Indianapolis, IN	\$29,616.61	-1.28%	Home Prices Lower
Abilene, TX	\$30,000	Pittsburgh, PA	\$31,565.50	5.22%	



## Cost of Living: Calculating Your Next Move

8. **Introduce the CNN Money cost of living calculator.** Remind students that there are several online cost of living calculators, and each may use different data sources or different formulas. Therefore, it shouldn't be a surprise if we get different values when we use a different calculator. However, the overall picture should remain the same.

Now we'll run the same exercise using a calculator from CNN Money:

<http://money.cnn.com/calculator/pf/cost-of-living/>

The page will look like the screenshot below:

**CNN Money** Business Markets Tech Personal Finance

Calculators

### Cost of living: How far will my salary go in another city?

**I live in**  
GA Atlanta

**I want to live in**  
NC Chapel Hill

**I currently make**  
\$50K

Comparable salary in Chapel Hill, NC  
**\$53,722**

Price difference in Chapel Hill, NC

Groceries	1% less
Housing	7% more
Utilities	2% less
Transportation	1% less
Health Care	1% less

Share your results via: [f](#) [t](#)



## Cost of Living: Calculating Your Next Move

Students should note that the **I live in** dropdown boxes default to **GA** and **Atlanta**. Tell them to:

- ▶ Change **GA** to **TX**. The city will change to **Abilene** as the default.
- ▶ Open the **state** dropdown box under **I want to live in** and select **CA**. Bakersfield becomes the default city.
- ▶ Find and select **San Francisco**.
- ▶ Slide the bar under **I currently make** to **\$30,000**.

The calculator automatically does the calculation and displays the result:

CNN Money Business Markets Tech Personal Finance

Calculators

### Cost of living: How far will my salary go in another city?

**I live in**  
TX - Abilene

**I want to live in**  
CA - San Francisco

**I currently make**  
\$30K

Comparable salary in San Francisco, CA  
**\$53,896**

Price difference in San Francisco, CA

Groceries	34% more
Housing	239% more
Utilities	21% more
Transportation	10% more
Health Care	32% more

Share your results via: [f](#) [t](#)

The CNN calculator determines the comparable San Francisco salary to be **\$53,896**, or a  $(53896 - 30000)/30000 = 0.797 \times 100 = \mathbf{79.7\% \text{ increase}}$ .

Note that Bankrate determined the comparable San Francisco salary to be **\$52,875.40**, so a **76.3%** increase in salary is required. Why the difference? Different data, most likely; however, both calculators agree that it is more expensive to live in San Francisco than in Abilene.

- 9. Student practice.** Using the CNN Money calculator this time, students should gather data for the same 11 cities they compared with Abilene earlier. Ask them to:
- ▶ Use the calculator to find the **New Salary** for each city in the table.
  - ▶ Calculate the **% Difference** from Abilene to the new destination.
  - ▶ Look at the **Price Difference** list. In the **Of Note** column, they should record any *significant* differences in the cost of the items listed in the calculator results.



## Cost of Living: Calculating Your Next Move

**\*Instructor note:** In the student version, only columns 1 through 3 are filled in. The following table has been completed for your convenience. **Important:** The information in columns 4 through 6 may need to be updated immediately before teaching the lesson.

### Data from CNN Money Cost of Living Calculator

From City	Salary	To City	New Salary	% Difference	Of Note
Abilene, TX	\$30,000	Seattle, WA	\$40,850	36.2%	Housing 85% more
Abilene, TX	\$30,000	San Diego, CA	\$43,595	45.3%	Housing 128% more
Abilene, TX	\$30,000	Las Vegas, NV	\$34,165	13.9%	Housing 20% more
Abilene, TX	\$30,000	Salt Lake City, UT	\$30,387	1.3%	
Abilene, TX	\$30,000	Denver, CO	\$34,617	15.4%	Housing 39% more
Abilene, TX	\$30,000	Phoenix, AZ	\$30,968	3.2%	Utilities 15% more
Abilene, TX	\$30,000	Topeka, KS	\$29,935	-0.22%	
Abilene, TX	\$30,000	Minneapolis, MN	\$34,747	15.8%	Housing 29% more Groceries 13% more
Abilene, TX	\$30,000	Chicago, IL	\$37,588	25.3%	Housing 52% more Transportation 25% more
Abilene, TX	\$30,000	Indianapolis, IN	\$30,129	0.43%	Housing 8% less
Abilene, TX	\$30,000	Pittsburgh, PA	\$31,033	3.4%	Utilities 21% more



## Cost of Living: Calculating Your Next Move

**10. Final note and exit ticket activity.** Students' takeaway should be that cost of living calculators can be a useful tool if they are planning a job or career change. Whether they're searching for a great place to live, "going where the work is," or evaluating an exciting job offer, they should use a calculator to gather relevant information that will help them make the most informed decision.

Students should now complete the exit ticket activity at the end of the student handout.



# Cost of Living: Calculating Your Next Move — Student Handout

## Objective

This lesson will introduce you to online cost of living calculators. You will use them to determine the relative increase in salary you must achieve or decrease you could accept to maintain your current standard of living in a new location.

## Directions

- 1. Introduction.** Look at the United States map below.
  - ▶ Somewhere on this map is where you live and will graduate from high school.
  - ▶ Somewhere on this map is where you will further your education in pursuit of a career, either by attending college or by some other means of training.
  - ▶ Somewhere on this map is where you will land your first position and establish yourself and your *standard of living* (defined as the level of material comfort, physical well-being and access to services and leisure available to a person).



Now think about what might come next for you once you've started your working life. Where could opportunity knock? Where do you think life will take you? We'll come back to these questions during the exit ticket activity at the end of this lesson.

- 2. Purpose of the lesson.** In this lesson, we're going to learn to use data to figure out whether you can maintain your standard of living if a job opportunity arises in a new location. You will compare the cost of living in different cities and states using online calculators that take into account the cost of housing and common goods and services in different parts of the country.



## Cost of Living: Calculating Your Next Move — Student Handout

3. **Scenario.** Let's get started. Read the following scenario along with your instructor:

Let's say you currently live in Abilene, Texas. You are working and earn a salary of **\$30,000/year**. Your standard of living is based in part on the salary you earn. You make enough money to pay for a place to live, transportation, food, and other expenses.

Now, let's say you wish to relocate to San Francisco, California, or maybe you are currently evaluating a job offer in San Francisco. What is the cost of living in San Francisco compared to Abilene? Is San Francisco a more expensive place to live? Less expensive? About the same?

Knowing what the cost of living in a new location is can be very useful when considering a job offer or when planning a tactical move to a new place. Data on the cost of living in San Francisco and in Abilene can help you figure out whether a move to California is practical. For one thing, California has a state income tax rate of up to 12.3%, while Texas has no state income tax at all.

If you want to keep your standard of living the same in San Francisco as it is in Abilene, it would be helpful to know what a comparable salary would look like in San Francisco. As it turns out, it is more expensive to live in San Francisco than in Abilene. In fact, you would have to earn **\$52,875.40** to maintain the same standard of living in San Francisco that you currently have in Abilene. But how do we know this?

Let's do a little math.

4. **Salary difference formula.** You can determine the difference between two salaries that would provide the same standard of living by using the following formula:

$$\text{Percent Change} = \left( \frac{\text{New Salary} - \text{Old Salary}}{\text{Old Salary}} \right) \times 100$$

- Because moving from Abilene to San Francisco requires an *increase* in salary to maintain the same standard of living, the formula looks like this:

$$\text{Percent Change} = \left( \frac{\text{New Salary} - \text{Old Salary}}{\text{Old Salary}} \right) \times 100$$

$$\text{Percent Change} = \left( \frac{52875.40 - 30000}{30000} \right) \times 100$$

$$\text{Percent Change} = \left( \frac{22875.40}{30000} \right) \times 100$$

$$\text{Percent Change} = (0.762513) \times 100$$

$$\text{Percent Change} = \mathbf{76.3\% \text{ increase}} \text{ required}$$



## Cost of Living: Calculating Your Next Move — Student Handout

- ▶ If the situation were reversed and you were considering a move *from* San Francisco *to* Abilene, because the cost of living in Abilene is *less* than the cost of living in San Francisco, the percent change required to maintain the same standard of living would be *negative*.

$$\text{Percent Change} = \left( \frac{\text{New Salary} - \text{Old Salary}}{\text{Old Salary}} \right) \times 100$$

$$\text{Percent Change} = \left( \frac{30000 - 52875.40}{52875.40} \right) \times 100$$

$$\text{Percent Change} = \left( \frac{-22875.40}{52875.40} \right) \times 100$$

$$\text{Percent Change} = -(0.43263) \times 100$$

$$\text{Percent Change} = \mathbf{43.26\% \text{ decrease}}$$
 acceptable

5. **Using a cost of living calculator.** It might seem as if we simply pulled the San Francisco equivalent salary (\$52,875.40) out of the air, but we didn't. We can use an online calculator to compare the cost of living in two locations and determine equivalent salaries for both places. These calculators take into account local costs for housing, energy, healthcare, food, and other goods and services, as well as mortgage rates. Of course, the costs cited for these items are an estimate, as prices for goods and services change all the time. The price of gasoline, for example, can and does change on a daily basis.

Please be sure to note that you might get different cost of living estimates from different online calculators. The formulas and data each calculator uses to determine estimates may differ, yielding different results; however, as you will see, the message is usually the same. These calculators can give you a relative estimate that will help in your decision-making process.



## Cost of Living: Calculating Your Next Move — Student Handout

6. **Cost of living calculator #1: Bankrate.** We'll start with the cost of living calculator at Bankrate.com:

[www.bankrate.com/calculators/savings/moving-cost-of-living-calculator.aspx](http://www.bankrate.com/calculators/savings/moving-cost-of-living-calculator.aspx)

The page will look like the screenshot below:

**Bankrate** Home Rates Calculators Mobile

MORTGAGES BANK RATES CREDIT CARDS INSURANCE AUTO INVESTMENTS

### Cost of Living Calculator

Use the calculator below to compare the cost of living in two cities. Simply enter your current income, select your current city, as well as the city you are relocating to and click calculate. The cost of living calculator will provide you with the equivalent income needed to maintain your current standard of living.

Change the values below and refresh listing to view the comparison.

City you are moving from: Abilene TX Metro

City you are moving to: San Francisco-Redwood City-South San Francisco CA Metro Div.

Enter your current income:\$ 30000

Refresh Listing

Notice that the **City you are moving from** dropdown box is already programmed with **Abilene, TX**.

- ▶ Open the **City you are moving to** dropdown box and select **San Francisco**.
- ▶ In the **Enter your current income:\$** box, change the value to **30000**, then click the **Refresh Listing** button.



## Cost of Living: Calculating Your Next Move — Student Handout

The calculator returns:

<a href="#">Refresh Listing</a>			
Equivalent income in the city you are moving to: <b>\$52875.40</b> .			
Percent increase to maintain standard of living: <b>76.25%</b> .			
Product	Abilene TX Metro	San Francisco-Redwood City-South San Francisco CA Metro Div.	Difference
Home Price	\$278,302.00	\$936,360.00	\$658,058.00
Payment + Interest	\$1,007.00	\$3,448.00	\$2,441.00
Apt. Rent	\$904.00	\$3,086.00	\$2,182.00
Lipitor	\$271.52	\$252.67	\$18.85
Total Energy	\$130.12	\$192.66	\$62.54

Notice the text next to the red arrow above (the arrow is not visible on your screen). The results show that an equivalent salary of **\$52,875.40** is needed in San Francisco to maintain the same standard of living that a \$30,000 salary provides in Abilene, TX. This is a **76.3% increase**. We did the math earlier to verify that percent increase.

- ▶ The table directly below these results shows a long list of comparison prices for everything from housing/rent to energy, food, goods, and services.
- ▶ Note that the **Difference** column shows the differences between Abilene and San Francisco prices in dollars, not percentage.

Look closely at some of the prices. Prices that are only a few dollars higher might actually represent a large percentage of change. For example:

Dentist visit: **\$69.33** in Abilene, **\$120.50** in San Francisco

The price difference is **\$51.17**, or  $51.17/69.33 = 0.7381$ , or **73.8% higher**.

This is an estimate, as stated earlier, because the price of things changes, but the message is that San Francisco is a more expensive place to live than Abilene.

- Try it on your own.** The table below lists 11 other cities you can compare with Abilene.
  - ▶ Use the Bankrate calculator to find the **New Salary** for each city in the table.
  - ▶ Record the **% Difference** from Abilene to the new destination.
  - ▶ Look at the **Difference** column in the calculator results. In the **Of Note** column, record any *significant* differences in the cost of the items listed in the calculator results.



Name \_\_\_\_\_

Date \_\_\_\_\_

## Student Worksheet

### Data from Bankrate Cost of Living Calculator

From City	Salary	To City	New Salary	% Difference	Of Note
Abilene, TX	\$30,000	Seattle, WA			
Abilene, TX	\$30,000	San Diego, CA			
Abilene, TX	\$30,000	Las Vegas, NV			
Abilene, TX	\$30,000	Salt Lake City, UT			
Abilene, TX	\$30,000	Denver, CO			
Abilene, TX	\$30,000	Phoenix, AZ			
Abilene, TX	\$30,000	Topeka, KS			
Abilene, TX	\$30,000	Minneapolis, MN			
Abilene, TX	\$30,000	Chicago, IL			
Abilene, TX	\$30,000	Indianapolis, IN			
Abilene, TX	\$30,000	Pittsburgh, PA			



## Cost of Living: Calculating Your Next Move — Student Handout

8. **Cost of living calculator #2: CNN Money.** Remember that there are several online cost of living calculators, and each may use different data sources or different formulas. Therefore, it shouldn't be a surprise if we get different values when we use a different calculator. However, the overall picture should remain the same.

Now we'll run the same exercise using a calculator from CNN Money:

<http://money.cnn.com/calculator/pf/cost-of-living/>

The page will look like the screenshot below:

**CNN Money** Business Markets Tech Personal Finance

Calculators

### Cost of living: How far will my salary go in another city?

**I live in**  
GA Atlanta

**I want to live in**  
NC Chapel Hill

**I currently make**  
\$50K

Comparable salary in Chapel Hill, NC  
**\$53,722**

Price difference in Chapel Hill, NC

Groceries	1% less
Housing	7% more
Utilities	2% less
Transportation	1% less
Health Care	1% less

Share your results via: [f](#) [t](#)

The **I live in** dropdown boxes default to **GA** and **Atlanta**.

- ▶ Change **GA** to **TX**. The city will change to **Abilene** as the default.
- ▶ Open the **state** dropdown box under **I want to live in** and select **CA**. Bakersfield becomes the default city.
- ▶ Find and select **San Francisco**.
- ▶ Slide the bar under **I currently make** to **\$30,000**.



## Cost of Living: Calculating Your Next Move — Student Handout

The calculator automatically does the calculation and displays the result:

**CNN Money** Business Markets Tech Personal Finance

Calculators

### Cost of living: How far will my salary go in another city?

**I live in**  
TX Abilene

**I want to live in**  
CA San Francisco

**I currently make**  
\$30K

Slider: \$0 to \$500K

**Comparable salary in San Francisco, CA**  
**\$53,896**

**Price difference in San Francisco, CA**

Groceries	34% more
Housing	239% more
Utilities	21% more
Transportation	10% more
Health Care	32% more

Share your results via: [f](#) [t](#)

The CNN calculator determines the comparable San Francisco salary to be **\$53,896**, or a  $(53896 - 30000)/30000 = 0.797 \times 100 = \mathbf{79.7\% \text{ increase}}$ .

Note that Bankrate determined the comparable San Francisco salary to be **\$52,875.40**, so a **76.3%** increase in salary is required. Why the difference? Different data, most likely; however, both calculators agree that it is more expensive to live in San Francisco than in Abilene.

- 9. Try it on your own.** Using the CNN Money calculator this time, gather data for the same 11 cities you compared with Abilene earlier.
  - ▶ Use the calculator to find the **New Salary** for each city in the table.
  - ▶ Calculate the **% Difference** change from Abilene to the new destination.
  - ▶ Look at the **Price Difference** list. In the **Of Note** column, record any *significant* differences in the cost of the items listed in the calculator results.



Name \_\_\_\_\_

Date \_\_\_\_\_

## Student Worksheet

Data from CNN Money Cost of Living Calculator

From City	Salary	To City	New Salary	% Difference	Of Note
Abilene, TX	\$30,000	Seattle, WA			
Abilene, TX	\$30,000	San Diego, CA			
Abilene, TX	\$30,000	Las Vegas, NV			
Abilene, TX	\$30,000	Salt Lake City, UT			
Abilene, TX	\$30,000	Denver, CO			
Abilene, TX	\$30,000	Phoenix, AZ			
Abilene, TX	\$30,000	Topeka, KS			
Abilene, TX	\$30,000	Minneapolis, MN			
Abilene, TX	\$30,000	Chicago, IL			
Abilene, TX	\$30,000	Indianapolis, IN			
Abilene, TX	\$30,000	Pittsburgh, PA			



## Cost of Living: Calculating Your Next Move — Student Handout

### EXIT TICKET ACTIVITY

Cost of living calculators can be a useful tool if you are planning a job or career change. Whether you're searching for a great place to live, "going where the work is," or evaluating an exciting job offer, use a calculator to gather relevant information that will help you make the most informed decision.

Use the blank table below and a cost of living calculator to plan a move for your own future career.

1. In the first column, **From City**, enter a US city you might be starting from. This could be your current city, one nearby, or any place you'd expect to get a good job in the future.
2. Estimate the **Salary** you will be (or hope to be) earning at that time.
3. Select a city to which you might like to relocate and note it in the **To City** column. Choose a city:
  - You think you would enjoy living in
  - In which you are likely to find a position
  - In which you think your career and lifestyle would flourish.
4. Use the calculator to determine the **New Salary** necessary to maintain your standard of living.
5. Calculate the **% Difference**, increase or decrease, between your estimated current salary and the new salary.
6. Enter any significant cost differences in the **Of Note** column.
7. Repeat the exercise for several more cities of interest.
8. Based on the data you've gathered, indicate which city you'd be most inclined to move to and why.



Name \_\_\_\_\_

Date \_\_\_\_\_

## Student Worksheet

From City	Salary	To City	New Salary	% Difference	Of Note

Based on the data you've gathered, indicate which city you'd be most inclined to move to and why.

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