

# Reality Check

## Source Data

Reality Check is an excellent classroom tool that teaches students in grades 8-12 how much it will cost to afford their desired future lifestyle. Users can enter the tool by one of two pathways – by selecting their expenses or by selecting their career. In either pathway, users will select options for everyday expenses. Some pages require users to make a selection (housing, utilities, food, health care, personal care), and other pages do not require a selection (transportation, student loans, Digital Media, clothing, entertainment, savings). In the end, users will understand how much it costs to afford their future lifestyle and the array of careers that will allow them to do so.

### 1. Housing

Data on the price of housing in Reality Check is obtained from [www.Zillow.com](http://www.Zillow.com) and includes the cost mortgaging an average home with a 10% down payment and the applicable taxes and fees. We use <https://www.bankrate.com/calculators/mortgages/mortgage-calculator.aspx> to calculate the mortgage amount at a 5% APR.

The Rent Data is from the U.S. Department of Housing and Urban Development (HUD) 50th Percentile Rent Estimates.

- **Large City:** Uses the average of homes in the Lincoln and Omaha metro areas.
- **Medium Size Town:** Uses the average of homes in Grand Island, Kearney, Norfolk, Scottsbluff, North Platte, Fremont and Beatrice.
- **Small Town:** Uses the average for homes in towns not included in the other two areas.

### 2. Utilities

Whether the users choose to rent or own they will have utility costs.

- **Electricity / Water / Gas / Trash** – Electricity data was obtained from the [Nebraska Energy Office](#) (NEO) for the areas as they correspond to housing data. The monthly cost for gas is also obtained from NEO data. Water costs are an average of the major municipalities in Nebraska obtained by contacting the local offices. The cost for trash service was obtained from contacting local companies for their plan costs and dividing it by the number of service months.
- **Internet** – This is a cost per Megabyte per second (Mbps) multiplied by the average per-month usage. Costs were acquired by contacting major providers for the cost of plans after introductory offers. The average usage is a nationwide average available from the FCC.
- **Cable** – average plan cost of Cox®, and Spectrum®, CenturyLink®, DirectTV®, Allo®, and Dish Network® obtained from contacting each company.

### 3. Food

Food costs are a combination of the average cost for meals at a restaurant and groceries for the home. Grocery costs are based on the average spending on groceries obtained from the USDA. A median annual income from the U.S. Department of Labor of \$44,668 is used to calculate the costs. Users will need to select one option to plan for the cost of food in the future.

Mostly eat at home: **\$389**

- Lunch:  $\$9 \times 4 = \$36$
- Dinner:  $\$23 \times 4 = \$92$
- Basics: 7% income = \$261

Eat out weekly: **\$479**

- Lunch:  $\$9 \times 8 = \$72$
- Dinner:  $\$23 \times 8 = \$184$
- Basics: 6% income = \$223

Eat out daily: **\$570**

- Lunch:  $\$9 \times 12 = \$108$
- Dinner:  $\$23 \times 12 = \$276$
- Basics: 5% income = \$186

### 4. Transportation

The vehicle cost is an average of Edmunds [True Cost to Own](#)<sup>®</sup> for the following vehicles. Used cars are model year 2012.

- Hybrid – Ford Focus, Chevy Volt, Toyota Prius
- Sedan – Dodge Charger, Chevy Malibu, Toyota Camry
- Truck – Ford F-50, Dodge Ram, Chevy Silverado
- SUV – Jeep Wrangler, Toyota 4-runner, Ford Explorer

### 5. Student Loans

This section is the average amount to borrow money to pay for a degree. Users who plan to use other methods to pay for school can skip this question. That cost for each degree is the average federal loan debt as acquired from the [National Center for Education Statistics](#).

### 6. Digital Media

Users have an opportunity to account for the cost for their mobile phone and data plan as well as popular streaming services.

- **Cell Phone** – average plan costs plus the cost of a per-year upgrade plan for a newer model phone.
- **Streaming TV** – monthly subscription costs for Netflix<sup>®</sup>, Hulu<sup>®</sup> Live, and CBS<sup>®</sup>
- **Streaming music** – average monthly cost for one of Spotify<sup>®</sup>, Apple<sup>®</sup> Music, or Last FM<sup>®</sup>.
- **Video games** – estimated cost to purchase games and add-ons.

7. Health Care

The cost for health care uses the average EducationQuest plan cost for our corporate plans and is mandated selection for users. Gym membership was obtained from YMCAs in Nebraska.

8. Personal Care

Users need to plan for basic personal care items like shampoo, soap and a haircut. Some will decide to enjoy additional services.

- **Basic products and haircut** – average cost of razor blades, toothpaste, shampoo, soap, face wash, tampons, shave cream, deodorant, Chapstick®, body lotion according to [Walmart.com](https://www.walmart.com).
- **Hair color or treatment** – average cost of services from Cost Cutters® (1606 S. Street Lincoln NE 68502), Sisu® (5955 S. 56<sup>th</sup> Street #30 Lincoln NE 68516) and Tranquility Salon and Spa® (2920 Copper Ridge Drive, Lincoln NE 68516)
- **Nails** – average cost of services from O.P.T. Nails (4640 Champlain Dr. #109, Lincoln, NE 68521), Oscar Nails (8601 S 30th St #104, Lincoln, NE 68516), Queen Nails (111 N 27th St, Lincoln, NE 68503), Sisu® (5955 S. 56<sup>th</sup> Street #30 Lincoln, NE 68516) and Tranquility Salon and Spa® (2920 Copper Ridge Drive, Lincoln, NE 68516)

9. Clothing

Some users will choose to purchase clothing throughout the year, here are estimated values.

- Rarely shop = \$50
- Shop every other month = \$150
- Shop monthly = \$300

10. Entertainment

Cost are based on estimated values in Kearney, Lincoln and Omaha.

11. Savings

Saving money for emergencies, vacations and large purchases is a significant expense year and users should estimate how much they would like to save each month.