

Cost of Living

Leilani works at a restaurant in Fargo, North Dakota making \$45,000/year (after taxes), and she has some great news. She was just offered a promotion! But before we bring out the “Congratulations” cake, there’s a decision she has to make. The owner of the restaurant chain offered to create a management position for Leilani at any of their five locations: Fargo, Chicago, Queens, Boise, and Baltimore. Leilani has her eye on Chicago (awesome), but it’s more expensive than Fargo (not-so-awesome...). Help Leilani decide where she should move based on the cost of living for each location. Her new salary is \$50,000.

Use the Cost of Living Calculator to figure out how much more it costs to live in Chicago than Fargo. Login to Banzai, click **Middle School Personal Finance**, and scroll down to the library section. Read the **Renting Basics** article and navigate to the **Cost of Living Calculator**. Set the **Current Salary** to \$45,000 (Leilani’s salary without the promotion) and the **Current Location** to Fargo-Moorhead, North Dakota. Set the **Moving To location** to Chicago, Illinois.

1. According to the calculator, how much would Leilani need to make in Chicago to maintain the lifestyle she has in Fargo? \$ _____
2. The restaurant also has locations in New York (Queens); Boise, Idaho; and Baltimore, Maryland. How much would Leilani need to make in each of these places to maintain her current lifestyle?
Queens \$ _____
Boise \$ _____
Baltimore \$ _____
3. Leilani’s biggest expense is housing. In which of the five locations (Fargo, Chicago, Queens, Boise, Baltimore) will she have to pay the most for housing? (Hint: this is the place with the highest percentage increase next to “Housing”) _____
4. Which places do you think are best suited for Leilani and her new salary of \$50,000? _____

5. In your opinion, if Leilani adjusts her budget, could she afford to live in a more expensive place? Would it be worth it? Why or why not?

6. In your opinion, should Leilani move or stay and manage the Fargo location? Why?

