

# Bills and Budgeting

## *Objectives:*

This purpose of this lesson is to teach students about budgeting their money. Students will learn through playing an interactive game called The Budgeting Game.

## *Time:*

1 hour

## *Materials:*

1. Career and Financial Situation Sheets
2. Play Money
3. Calculators
4. Pencils
5. Pens
6. Paper to calculate bills
7. Car Expense Sheet
8. Child Scenarios Sheet
9. Child Card Sheet
10. Life Expense Sheet
11. Flipchart with Days of the week and student roles for each day (**View Budgeting Game Chart on this lesson**)

## **Activity: The Budgeting Game**

The idea of this activity is for groups to decide whether they can afford to have children, various types of cars, and life expenses using their current financial situations. It is strongly recommended that facilitators and volunteers do the activity before it is done with participants.

## *Prior to activity:*

1. Make at least 2 copies of each Career and financial situation sheet
  - *For example: Copy the Lawyers financial situation twice*
2. Make at least 2 copies of the Car Expense Sheet and cut to show individual cars
3. Make at least 2 copies of the Child Scenarios Sheet and cut to show individual child expenses
4. Make at least 2 copies of the Child Card Sheet and cut to show individual child cards
5. Make at least 2 copies of the Life Expense Sheet and cut to show individual child scenarios
6. Sharpen pencils

## *Roles of Facilitator(s) and Volunteers*

1. **Facilitator** – ensure that all groups understand the activity; answer participants' questions

### *Start of Activity*

1. When participants arrive distribute:
  - Sharpen pencils
  - Calculators
2. Group participants into 4 groups

**Leader's Notes** - Once you have divided participants into groups, begin the activity by asking the following questions:

1. Have you all ever thought about how much your parent's pay for children, cars, and life in general – Have participants respond by a show of hands
2. What are some things that your parents buy in order to live? – Guide a brief discussion about some these expenses
3. Explain the following:
  - a) **Expenses** – spending
    - *For example: Parents spend money on food, clothes, bills, etc.*
4. Tell the participants that they will experience what it is like to have expenses.

## **Explain the Game**

1. In this game, students will learn what it is like to pay bills.
2. Students will pay all their expenses to the banker
3. This game is played based on the 5 days of the week.
4. Write the words "Monday, Tuesday, Wednesday, Thursday, and Friday on a flipchart or chalkboard. (**See Budgeting Game Flipchart below**)
5. On Mondays, students will get paid
  - The monthly cashflow amount on the Career and Financial Sheet is how much each group will get paid on Monday
  - For example, if the group is a secretary, then they will be paid \$515 on Monday
6. On Tuesday, students will pay their child expense.
  - Have one member of the group pick their child card from the banker to determine how many children they have. (Have the child cards face down and cut the cards individually so there is one child card on each slip of paper)
  - Then the group should pick their child scenarios based on the number of children they have
  - *For example, if a group has 2 children then they will pick 2 scenarios on Tuesday*
  - After students have paid for their child expense to the banker they should return the scenario to the banker.
  - The facilitator can announce the birth of a new baby for all groups anytime in the game.

7. On the first Wednesday, students will pick and pay for their cars.
  - On the remaining Wednesdays, students will pay for the car they picked
  - Have students choose how many cars they want
  - Students are to keep their car for the whole game (Or you can have students sell their car to you ONCE in the game if they can not afford the payment. However, the group must pick a more affordable car).
  - The facilitator can choose how much the students can sell their car. DON'T SELL ANY CAR FOR MORE THAN \$250 (car depreciation)
  - The car sheet can be faced up so students can see what cars they are buying
  - Students will pay the monthly car payment plus the car insurance
  
7. On Thursday, students will pick and pay their life card.
  - You can choose whether to use the life card each round or every other round
  - This card should be faced down
  - Students should pick one life card
  - After students have paid their life card, then they should return it to the banker
  - If students don't have enough money then they have to pay what they can. Students should keep their card until their expense or debt is paid to the bank. Add \$2 to the students bill every day they can't pay off their debt.
8. On Friday, students will count the money that they have left and pay any debt
9. Then start the round over with Monday.
10. Remember to give students ample time to make their calculations on each day of the game.
11. There are 2 ways to play the game. If you want there to be a winner, then each team should have the same career. If you just want to use this as a learning tool, then each group should have a different career.

**Leader's Notes** – Allow students to make their calculations independently.

- ❖ *Note: If a group cannot afford something,, tell them they can trade in their car for another only once in the game. The banker should determine how much he/she wants to buy the car back for. (Don't buy the car back for more than \$250.)*

## **Budgeting Game Flipchart**

**Monday** – Receive your paycheck

**Tuesday** – Child Expense

**Wednesday** – Car Expense

**Thursday** – Life Card

**Friday** – Count money; Pay debt

### **Leader's Notes**

#### **Debrief the activity....**

1. Ask students, what was their most expensive expense
2. Ask students, what would they have done differently in the game
3. Ask students if they understand what their parents go through when they talk about bills

## **Career and Financial Situation Sheet**

### **Secretary**

Salary per month	2,200
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Taxes	490
Mortgage/Rent Pay	670
Credit Card Payment	35
Other Expenses	300
Child Expense	190
<b>Total Expense</b>	<b>1685</b>

Monthly Cash flow	$2,200 - 1685 =$	515
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## Career and Financial Situation Sheet

# Lawyer

Salary per month	8,700
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Taxes	1,940
Mortgage/Rent Pay	1,600
School Loan Pay	400
Credit Card Payment	300
Other Expenses	2,000
Child Expense	360
<b>Total Expense</b>	<b>6,600</b>

Monthly Cash flow	$8,700 - 6,600 =$	2,100
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# Career and Financial Situation Sheet

## Loan Officer

Salary per month	\$5,000
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Taxes	\$1,010
Mortgage/Rent Pay	\$990
School Loan Pay	\$225
Credit Card Payment	\$100
Other Expenses	\$1,300
Child Expense	\$300
<b>Total Expense</b>	<b>\$3,925</b>

Monthly Cash flow	$\$5,000 - \$3,925 =$	1,075
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# Career and Financial Situation Sheet

## Janitor

Salary per month	\$1,700
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Taxes	\$295
Mortgage/Rent Pay	\$425
School Loan Pay	\$0
Credit Card Payment	\$40
Other Expenses	\$300
Child Expense	\$90
<b>Total Expense</b>	<b>\$1,150</b>

Monthly Cash flow	$\$1,700 - 1,150 =$	550
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# **Child Expense Sheet**

## **Scenario 1**

Your child is starting school. There is no family around to keep your child. Your child goes to a daycare after school. The monthly child expense is \$80.

## **Scenario 2**

You have a 5 year-old child that just joined the local softball team. The coach is requesting that you pay for the child to be on the softball team and buy your child new shoes, uniform, and equipment to practice at home. Plus you have to pay for the child's clothes, shoes, and food each month. Your monthly child expense is \$80.

## **Scenario 3**

You want your child to have the best education possible. Therefore you put them in private school. Private school costs \$8,000 a year. Your child is required to wear a uniform to school everyday so you don't have to buy clothes. Your monthly child expense is \$110.

## **Scenario 4**

Your child got sick because you did not know that he/she was allergic to chicken and beef. Your child has to spend one week in the hospital. Plus, every time you cook chicken or beef you have to cook another dish for you child. This means that you have to buy extra groceries. Your child monthly child expense is \$60.

## **Scenario 5**

Your child just turned 8. He/She wants to have a birthday party. You will invite 20 other 8 year olds to come. You decide to buy pizza, hire a clown, buy decorations, and buy your kid a present. Your monthly child expense is \$50.

## **Scenario 6**

Your child just made the middle school basketball team. The team decides that they want to purchase the same shoes, t-shirts, socks, and warm-up suits. Plus, you have to give your child money when they go on away games. You also have to buy a basketball and goal so that your child can practice at home. Your monthly child expense is \$100.

## **Scenario 7**

Your child is not doing well in school. You constantly have to leave work to go to your child's school because you are concerned about their grades. You decide to hire a tutor to help your child with their homework daily. The tutor usually charges \$100 a week to help your child. The tutor will give you a discount. Your monthly expense is \$90.

## **Scenario 8**

Your child wants to go to summer camp. It is the summertime and he/she gets bored very quickly. You decide to put your child in 2 summer camps. You put your child in a financial literacy camp and music camp. Your monthly child expense is \$80.

## **Scenario 9**

It is Christmas time! Your child wants the latest fashion of clothes and shoes. You also have to buy gifts for your child's friends because they will give you child a gift. Your monthly expense is \$60.

## **Scenario 10**

A new video game just came out. You decide to get your child the video game because he/she has made good grades. Your monthly child expense is \$ 60.

## **Scenario 11**

It is prom time for your child. You agree to let your child use your car for transportation. Your child hit someone in the back on prom night because they were not paying attention to the road. Luckily no one was hurt. Your monthly child expense is \$90.

## **Scenario 12**

You daughter volunteered to be in a school pageant. You have to buy your child a business casual and formal outfit so they can model it in the Pageant. Plus you have to pay for your daughter to get her hair done, a manicure, and pedicure. Your monthly child expense is \$70.

## Child Card Sheet

Child Card 1

You have one child

Child Card 2

You have two children

Child Card 3

You have two children

Child Card 4

You have a special card

You have twins

You must pick 2 child scenarios

Child Card 5

You have 3 children

Child Card 6

You have 2 children

Child Card 7

You have 1 child

Child Card 8

You have 3 children

## Life Expense Sheet

<b>You buy new furniture \$60</b>	<b>You buy a new stereo \$100</b>
<b>You have lunch with friends and you pay for everyone \$70</b>	<b>You buy a new stove for your kitchen \$70</b>
<b>You go the dentist \$80</b>	<b>You buy new clothes \$90</b>
<b>You go to a basketball game \$45</b>	<b>You take your family on a vacation \$60</b>
<b>You buy a new cell phone \$80</b>	<b>You go deep sea fishing \$60</b>
<b>You buy new shoes \$100</b>	<b>You buy jewelry \$80</b>
<b>You buy a new painting \$50</b>	<b>You throw your friend a birthday party \$80</b>
<b>You buy a new bed for your bedroom \$50</b>	<b>You buy a new video game \$100</b>
<b>Your car is towed \$115</b>	<b>You go to a concert \$70</b>
<b>You have to buy a new radiator for your car \$100</b>	<b>You go to a coffee shop with a friend \$20</b>

<p><b>You have to get new tires</b> \$40</p>	<p><b>You buy a new mp3 player</b> \$100</p>
<p><b>You buy new clothes</b> \$50</p>	<p><b>You buy your mother a present for Mother's Day</b> \$50</p>
<p><b>You buy a new Television set</b> \$40</p>	<p><b>You paint your car</b> \$90</p>
<p><b>You buy video games</b> \$50</p>	<p><b>You paint one room in your house</b> \$30</p>
<p><b>You buy a new golf club</b> \$80</p>	<p><b>You go to dinner and bowling with friends</b> \$60</p>
<p><b>You pay for your sister to get her hair done</b> \$70</p>	<p><b>You need a cast on your arm</b> \$100</p>
<p><b>You buy a designer watch</b> \$100</p>	<p><b>You go to a baseball game with friends</b> \$40</p>
<p><b>You put a gps system in your car</b> \$80</p>	<p><b>You buy a juice maker</b> \$80</p>
<p><b>You have to buy a new lock for your door</b> \$50</p>	<p><b>You go to a hockey game</b> \$30</p>
<p><b>You buy new facial products for your skin</b> \$30</p>	<p><b>You go to the grocery and buy food for party you are having</b> \$70</p>

<p><b>Take your family to Play World</b>  <b>\$1000</b></p>	<p><b>Buy a plasma TV</b>  <b>\$700</b></p>
<p><b>Your child needs a cast</b>  <b>\$300</b></p>	<p><b>You buy a new computer</b>  <b>\$1300</b></p>
<p><b>You go on a shopping spree</b>  <b>\$650</b></p>	<p><b>Your buy a new stove</b>  <b>\$800</b></p>
<p><b>Your child need braces</b>  <b>\$1500</b></p>	<p><b>You paint one room in your house</b>  <b>\$30</b></p>
<p><b>You buy a new radio system for  your car</b>  <b>\$250</b></p>	<p><b>You need buy a high tech printer  for your office</b>  <b>\$400</b></p>
<p><b>You hire someone to paint your  bedroom</b>  <b>\$700</b></p>	<p><b>Your buy your child a new video  game</b>  <b>\$360</b></p>
<p><b>You take you family to Europe</b>  <b>\$3000</b></p>	<p><b>You buy a new washing machine</b>  <b>\$570</b></p>
<p><b>You have to put new tired on your  car</b>  <b>\$250</b></p>	<p><b>You take your family to a very  expensive restaurant</b>  <b>\$300</b></p>
<p><b>You buy a new bedroom set</b>  <b>\$900</b></p>	<p><b>You child broke the kitchen  window playing baseball</b>  <b>\$150</b></p>
<p><b>You buy 2 spa treatment packages  for your mother and grandma</b>  <b>\$340</b></p>	<p><b>You go to the grocery and buy  food for party you are having</b>  <b>\$70</b></p>

<p><b>You enter your daughter into a beauty contest</b>  <b>\$400</b></p>	<p><b>You buy new carpet for the den</b>  <b>\$150</b></p>
<p><b>You pay for your and your friend to go to the opera</b>  <b>\$320</b></p>	<p><b>You go to a comedy club and see a famous comedian</b>  <b>\$50</b></p>
<p><b>You buy a ring</b>  <b>\$2000</b></p>	<p><b>You pay someone to fix your plumbing</b>  <b>\$200</b></p>
<p><b>You buy a new riding lawn mower</b>  <b>\$500</b></p>	<p><b>You buy a new computer software program</b>  <b>\$710</b></p>
<p><b>You have a party for your friends</b>  <b>\$200</b></p>	<p><b>You decide to drive cross county with your family</b>  <b>\$430</b></p>
<p><b>You buy a new digital camera</b>  <b>\$290</b></p>	<p><b>You buy a new digital camcorder</b>  <b>\$300</b></p>
<p><b>You buy new designer shoes</b>  <b>\$200</b></p>	<p><b>You rent a car to visit family</b>  <b>\$150</b></p>
<p><b>You buy a new couch</b>  <b>\$800</b></p>	<p><b>You buy two new book cases</b>  <b>\$310</b></p>
<p><b>You buy a new piano</b>  <b>\$400</b></p>	<p><b>You buy a new suit</b>  <b>\$130</b></p>

## **New Cadillac Escalade**



Price = \$50,480.00  
(To pay for car in 5 years)  
Monthly payment = \$300  
Monthly Insurance payment = \$100

## **Used Toyota Corolla**



Price = \$10,995  
(To pay for car in 5 years)  
Monthly payment = \$110  
Monthly Insurance payment = \$60

# Car Information Sheet

## New Honda Accord



Price = \$28,360  
(To pay for car in 5 years)  
Monthly payment = \$200  
Monthly Insurance payment = \$70

## Used Porsche 911



Price = \$59,900  
(To pay for car in 5 years)  
Monthly payment = \$600  
Monthly Insurance payment = \$110

# Car Information Sheet

## New Lexus



Price = \$37,888  
(To pay for car in 5 years)  
Monthly payment = \$300  
Monthly Insurance payment = \$100

## Used Chrysler Voyager



Price = \$11,990  
(To pay for car in 5 years)  
Monthly payment = \$120  
Monthly Insurance payment = \$80