

BALANCEDLIFE™

a classroom simulation

FACILITATOR GUIDE



Presented through a partnership
between **Cornerstone Credit Union
Foundation** and **BALANCE**



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Executive Summary

Financial empowerment is critical to societal stability and credit unions are poised to do their part to develop more capable and competent citizens. To adequately prepare our youth for adulthood, we must empower them with the tools, information, and decision-making skills necessary to achieve financial freedom.

The Cornerstone Credit Union Foundation and BALANCE are proud to offer a turnkey personal finance simulation designed to help students strive to create a **BALANCED Life**.

What is a Classroom Budget Simulation? Reality Fair?

Much like a Reality Fair, the classroom simulation is a hands-on simulation whereby students experience financial challenges they will face as they begin navigating life on their own or in the “real world”. Students will complete the simulation together to better understand compromise while making decisions about how to spend their household’s money. Each student will be assigned a career and starting salary and receive one family budget sheet. Students will refer to their budgets as they engage in a PowerPoint presentation that brings the lifestyle decisions (what would normally be booths in the reality fair) to them. These can include fixed, variable, or discretionary expense choices. They are required to live within their monthly means while paying for basics and allowing for wants along the way, if their budget allows.

As we know, life can seem like a game of chance at times! Each student will have an “unexpected event” to account for too.

Along the way there are many temptations for additional spending, and students must learn to balance their wants and needs while living within their monthly means. Upon making all the lifestyle decisions, students will balance their budget, then have a debriefing discussion with the facilitator.

***The Cornerstone Credit Union Foundation (CSCUF)**, a 501(c)(3) public foundation serving Texas, Oklahoma, and Arkansas, is dedicated to three core initiatives: financial capability, credit union development, and disaster relief for credit union staff and volunteers when disaster strikes. The CSCUF prides itself on making a difference in the lives of credit union members throughout its region.*

*Founded in 1969, **BALANCE** is a nationally-respected, HUD-approved financial services organization with a mission to end generational poverty. We do this one wallet at a time, helping people achieve financial health through debt reduction, credit score improvement, homeownership, and improved money management skills.*

Program Overview / Facilitator's Guide Purpose

This 45-60 minute workshop targets 8-12th grade students. The purpose of this workshop is to give students an experience of what their future life may be like, and helps them learn financial empowerment through cooperation, negotiation, and compromise.

The goal of this guide is to help you navigate the simulation and provide a stress-free experience for all. Every student learns in their own unique way and every teacher or facilitator presents differently, so we encourage the presenter to make it his/her own. This guide includes tips on how to handle unique situations that may arise while hosting this simulation. It is recommended that you read through the guide in its entirety before starting the workshop.

Steps to Success for Classroom Simulation

A successful Classroom Simulation does not take much effort. Here are the steps that you will want to take to ensure success.

- First Step:** Appoint the Facilitator – your Facilitator must be a good speaker, organized, and able to command a classroom.
- Second Step:** Determine which cost of living scenarios best fits your audience (low / mid / high).
- Third Step:** Review the Facilitator's Guide, the scenarios, budget sheet, and PPT for the cost of living scenarios you chose.
- Fourth Step:** Print scenarios / budget sheets (they print double-sided with budget on one side and scenario on the other).
- Fifth Step:** Print Facilitator's Guide and run through the PPT (practice).

What Do You Need?

1. Scenario Sheet

- You have three cost of living versions: Low, Mid, and High. Ensure that your scenarios match up with the PowerPoint Deck you are using.

2. Budgeting Sheet

- Print the budgeting sheet on the back of the associated scenario for easy access. It is already set up to print this way, with a budget sheet placed between each scenario.

3. PowerPoint Deck

- You have three options to choose from: Low, Mid, and High cost of living.

4. Projector

5. Screen

6. Computer

7. Calculators *(optional)*

- The math involved in budgeting is easy enough to do freehand, however, if you want to allow students to use a calculator that is fine.

Tips for the Teacher / Facilitator

When conducting an activity with students, maintaining control and order over an energy-filled room can become a challenge. For that reason, it is important to lay a few ground rules. Here are some suggestions:

- Remind students to **BE REALISTIC** when making their lifestyle choices. For instance, choosing all the expensive options to see how much money they can spend or opting for all cheapest options to see how much they can save!
 - Students may try to get creative with how to save money. Please use your discretion when addressing their ideas and questions. Please see the areas labeled as Creative Savings Methods in each lifestyle decision below, it will help you with answering their questions.
- Stay on track. Each lifestyle decision should take 2-3 minutes to complete after it is presented. The goal is to keep things moving and keep the energy up.
 - Find a way to audibly or visibly let the students know you are moving on. One option might be to play music. When the music starts they work, and when the music ends you are moving to the next item. You can use a timer with a pleasant sound to signal that the 2 minutes are up and it's time to continue on. This is an opportunity to create your own unique and fun way to engage students and keep them focused.
- Do not change the scenario sheet. Some students may want to change their scenario (Change income, have no children, etc.). Emphasize that their scenarios are not real-life and that changing them will not give them the full experience.
- This simulation is designed to encourage cooperation and compromise. For this reason, it is best done in pairs. However, we do acknowledge that there are situations that call for one person to make financial decisions for the household (i.e. Spouse of deployed military member, single mother/father, etc.) If there is an odd number of students, you can have them work independently. It is **not** recommended to allow students to work in groups of 3 or more for this activity. The ultimate goal is for your students to learn finances and be empowered, so use your best judgment with your particular group of students.
- Take a few minutes to tell the students a little bit about yourself. Tell them about your job, family, and some financial situations that you might have encountered. Stress the fact that this simulation is to learn. There are many aspects of finances that are ever changing so while this should be taken seriously, you still want your students to have a positive learning experience. There is no right or wrong answers, only decisions that will help them learn.



Hand Out the Materials to Each Pair

Direct the students' attention to their Scenario Sheet. Explain how to read the information in each section (their job, household information, and job descriptions).

BALANCEDLIFE™ a classroom simulation

Occupations / Job Descriptions

Environmental Scientist: Use the principles of engineering, soil science, biology, and chemistry to develop solutions to environmental problems.

Graphic Designer: Create a visible image that can be used in media and print. Uses software and hand-rendering to design products that meet the needs of the client.

Household Information

Child: Luke, 3 months old
Debt: \$716 (minimum payment = \$29)

Environmental Scientist		Graphic Designer	
Gross Income:	\$3,899	Gross Income:	\$3,040
Social Security:	\$242	Social Security:	\$188
Medicare:	\$57	Medicare:	\$44
Medical Insurance:	\$300	Medical Insurance:	\$300
Retirement Fund:	\$195	Retirement Fund:	\$152
Federal Tax:	\$357	Federal Tax:	\$267
State Tax:	\$311	State Tax:	\$236
Net Income:	\$2,437	Net Income:	\$1,853

Total Net Household Income: \$4,290

Draw attention to the "Total Net Household Income". Have the students circle their household income. Let them know that the goal of this activity is to spend less money than they make.

Household Information

Child: Luke, 3 months old
Debt: \$716 (minimum payment = \$29)

Total Net Household Income: \$4,290

Explain how the **Budgeting Sheet** works. The purpose is for your students to be able to keep an eye on how much money they have left as the activity progresses. It is a tracking tool and is important to the success of the simulation

Budget Sheet		
Description	Expense	Balance
Total Net Household Income	N/A	\$4,290
Savings	\$	\$
Housing	\$	\$
Transportation	\$	\$
Groceries	\$	\$
Child Care	\$	\$
Credit Card	\$	\$
Dining Out	\$	\$
Unexpected Expense (see below)	\$150	\$
Technology	\$	\$
Clothing	\$	\$
Personal Care	\$	\$
Home Furnishings	\$	\$
Entertainment	\$	\$
	Total	\$

Conducting the Simulation

The categories on the budget sheet give you the opportunity to walk the students through the process of subtracting from the budget before students are asked to do it on their own. It is vital that they understand this process to successfully complete the activity.

1. Savings

It is important to encourage an allocation of at least 10% of students' Total Net Household Income to savings at the beginning of the month. Paying themselves first will assure that they have money in savings when emergencies arise. If they feel that 10% is not feasible you can recommend an amount depending on total net income.

This slide gives you the opportunity to walk the students through the process of subtracting from the budget before students are asked to do it on their own. It is vital that they understand this process to successfully complete the activity.



Budget Sheet		
Description	Expense	Balance
Total Net Household Income	N/A	\$4,290
Savings	\$429	\$3,861
Housing	\$	\$
Transportation	\$	\$
Groceries	\$	\$
Child Care	\$	\$
Credit Card	\$	\$

Savings Discussion points:

- What future goals would require short/mid/long term savings?
- Housing/home improvements
- Vacation
- Wedding
- Retirement
- Emergencies such as car repairs or medical care

Due to lack of funds for fixed/variable expenses, students may decide to lower their savings allocation if they are having a hard time making ends meet

2. Housing

The prices listed include: payment, utilities, insurance, maintenance, taxes, and lawn care. These numbers are very realistic so there is not a lot of room to get creative. This should be very straightforward. Ask the student to select the option they would like and direct them to record it on their budgeting sheet.



HOUSING home sweet home		
Apartment 1 bedroom 1 bathroom 550 square feet \$450	Apartment 2 bedroom 1 bathroom 800 square feet \$540	Mobile Home 3 bedroom 2 bathroom 1500 square feet \$607
Small Single Family 3 bedroom 1.5 bathroom 950 square feet \$1,141	Medium Single Family 3 bedroom 2 bathroom 1750 square feet \$1,160	Large Single Family 4 bedroom 2 bathroom 2500 square feet \$1,349

Includes: Utilities, Insurance, Maintenance, Taxes, and Lawn Care.

Housing Discussion Points:

- Individuals spend an average of 20-35% of their income on Housing
- Creative Savings Methods (promote realistic choices):
 - Can we live with our parents?
 - Can we be homeless?

3. Transportation

The prices listed include: payment, insurance, maintenance, taxes, tag, warranty, and gasoline. Ask the students to select the option they would like and record it on their budgeting sheet.



TRANSPORTATION getting from point A to point B		
Uber / Lyft / Public Transportation – Per Ride		\$20
Sedan	Minivan	Sports Car
Used* \$664 New \$871	Used* \$685 New \$996	Used* \$757 New \$1,011
SUV	Pickup	Luxury Car
Used* \$882 New \$1,276	Used* \$892 New \$1,312	Used* \$912 New \$1,349

Includes: Payment, Insurance, Maintenance, Taxes, Tag, Warranty, and Fuel. *Used car is 5 years old.

Transportation Discussion Points:

- Individuals spend an average of 10-15% of their income on Transportation
- Creative Savings Methods (promote realistic choices):
 - Can we use share rides every day?
 - Can we share a car?
 - I will just ride my bike to work
 - I will take the bus to work

4. Groceries

One of the most expensive items in a family budget is food. Many people don't pay attention to the monthly cost because they go to the grocery store about once a week and never total it up. The prices listed are the monthly cost for two adults. Ask the students to select the option they would like and record it on their budget sheet



GROCERIES become a home chef		
Organic/Non-GMO	Average Groceries	Budget Groceries
<ul style="list-style-type: none"> • Grass Fed Beef • Free Range Chicken • Organic Dairy • Fresh Vegetables • Fresh Fruit 	<ul style="list-style-type: none"> • Ground Beef • Frozen Pizza • Pasta • Some Fresh Produce • Frozen Vegetables 	<ul style="list-style-type: none"> • Hamburger Helper • Ground Beef • Canned Soup • Pasta / Rice / Beans • Less Fresh Fruits and Vegetables – mostly frozen or canned
\$560	\$420	\$327

Groceries Discussion Points:

- Individuals spend an average of 12-17% of their income on Meals (groceries and eating out)
- Creative Savings Methods (promote realistic choices):
 - Can I eat ramen noodles or macaroni & cheese every day?
 - I will eat at my parents house every night

5. Child Care

Kids are expensive! The first group of costs is the minimum required costs for this budgetary item. The second group of cost can be added onto the total cost if they would like their child to go to a nicer daycare or have new clothes and toys. Ask the students to select the options they would like and record it in their check register.



CHILD CARE kids are expensive			
Required Costs		Add-ons	
Inexpensive Daycare	\$493	Licensed Daycare	+\$25
Formula and Bottles	\$99	New Clothes	+\$25
Diapers and Wipes	\$74	New Toys, Books, etc.	+\$25
Resale Clothing	\$10		
Resale Toys, Books, etc.	\$10		
Total	\$686		

Child Care Discussion points:

- Individuals spend an average of 12-17% of their income on Child Care
- Creative Savings Methods (promote realistic choices):
 - What if I want to breastfeed?
 - Can our child stay with my parents?
 - We will just use all hand-me-downs

6. Debt

The students' credit card balance and minimum payment can be found on the front of their scenario sheet. The students must pay at least the minimum payment, but you should encourage them to make more than the minimum in real life. Explain that making more than the minimum payment allows you to pay off debt faster. Ask the students to select the option they would like and record it on their budgeting sheet.



DEBT
pay off consumer debt

Household Information
Child: Luke, 3 months old
Debt: \$716 (minimum payment = \$29)

Total Net Household Income: \$4,290

	Minimum	Minimum + \$25	Minimum + \$50	Maximum + \$75
Original Debt – \$716				
Interest Rate – 14%				
Monthly Payment	\$29	\$54	\$79	\$104
Months to it pay off	30	15	10	8
Interest Paid	\$133	\$66	\$45	\$35

7. Dining Out

To determine the total monthly cost of dining out, the students will need to decide how often they plan to dine out each month. Also, included in this budgetary item is coffee/tea. Once all of these amounts are determined ask students to total them, and put that total on the budgeting sheet.



DINING OUT
someone else does the cooking

Fast Food – \$8 per visit
Multiply by how many times PER MONTH you eat fast food

Sit Down Restaurant – \$25 per visit
Multiply by how many times PER MONTH you eat at a sit down restaurant

Coffee / Tea Shop

Coffee / tea from shop everyday - \$85
 Coffee / tea from shop every other day - \$43
 Coffee / tea from shop once a week - \$15
 Buy supplies and make coffee everyday - \$10

Dining Out Discussion Points:

- Individuals spend an average of 12-17% of their income on Meals (groceries and eating out)
- Creative Savings Methods (promote realistic choices):
 - Can I eat ramen noodles or macaroni & cheese every day?
 - I will eat at my parents' house every night
 - I will never Dine out!

8. Unexpected Expense

This part of the workshop is meant to show that unplanned events happen. On the budgeting sheet, students can find a unique expense that applies to them.



UNEXPECTED EXPENSE
not everything will always go your way

Unexpected Expense

Your phone screen broke and you need to get it replaced.

★ Subtract \$150 from your budget.

9. Technology

These are discretionary expenses and optional; however, if they wish to own a cell phone, they must make a new purchase instead of stating that they already own one.



TECHNOLOGY
can you live without a phone?

Amazon Prime	\$10	Internet	\$100
Apple Music / Spotify	\$15	Netflix	\$11
Cable	\$85	PlayStation+	\$5
Cell Phone	\$125	Satellite	\$75
Hulu	\$8	Xbox Live	\$5

Technology Discussion Points:

- Individuals spend an average of 5-15% of their income on Technology
- Creative Savings Methods (promote realistic choices):
 - Do we have to get cell phones?
 - Can we use our parent's Netflix login?
 - I will just stay on my family plan

10. Clothing

The prices listed include clothing and laundering. Encourage the students to consider their job and personal taste when deciding which category of clothing to choose. Ask the students to select the option they would like and record it on the budgeting sheet.



CLOTHING what should i wear?			
Uniform & Weekend Clothes		Business Casual & Weekend Clothes	
Luxury	Bargain	Luxury	Bargain
\$75	\$50	\$125	\$75
Business Professional & Weekend Clothes			
Luxury	Bargain		
\$250	\$150		

Clothing Discussion points:

- Individuals spend an average of 1-3% of their income on Clothing
- Creative Savings Methods (promote realistic choices):
 - Clothes don't matter that much to me, so I won't ever buy anything new. (take wear and tear, fashion trends, appearance, etc. into account).
 - I will wear hand-me-downs from family.

11. Personal Care

This category gives students the option to choose various toiletries and how often they would like to get their hair cut. Once all of the options they want are totaled, they should write that total on the budgeting sheet.



PERSONAL CARE hair and makeup					
Soap / Shampoo		Make-up / Skincare		Shaving Supplies	
High	\$75	High	\$150	High	\$22
Medium	\$40	Medium	\$75	Medium	\$20
Low	\$15	Low	\$35	Low	\$10
Women's Haircut		Men's Haircut		Gym Membership	
Every 2 weeks	\$80	Every 2 weeks	\$40	Higher End	\$40
Every 4 weeks	\$40	Every 4 weeks	\$20	Bargain	\$10
Every 6 weeks	\$27	Every 6 weeks	\$13		
Every 8 weeks	\$20	Every 8 weeks	\$10		

Personal Care Discussion points:

- Individuals spend an average of 1-3% of their income on Personal Care
- Does the student have an occupation that requires a well-groomed and professional appearance?
- Creative Savings Methods (promote realistic choices):
 - What if I choose to not cut my hair?
 - I don't wear any makeup
 - I just won't shave and have a beard

12. Home Furnishings

This category allows students the option to choose the furnishings, decorations, etc. for their house. The prices are based on the specified replacement schedule. Ask the students to select the options they would like and record it on their budgeting sheet.



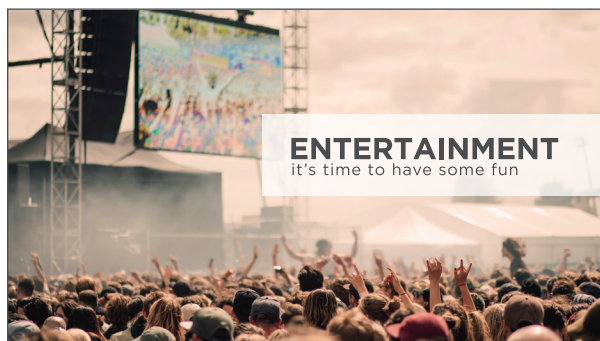
HOME FURNISHINGS					
furniture and decorations					
TV		Computer		Furniture	
75"	\$40	High	\$80	High	\$125
65"	\$35	Medium	\$40	Medium	\$50
49"	\$20	Low	\$20	Low	\$25
32"	\$5	*based on replacing every 3 years		Used	\$5
*based on replacing every 5 years			*based on replacing every 10 years		
Decorations		Cleaning			
High	\$50	Weekly Maid	\$600		
Medium	\$25	Monthly Maid	\$150		
Low	\$10	Supplies	\$50		
Used	\$5				

Home Furnishings Discussion points:

- Individuals spend an average of 1-3% of their income on Personal Care
- Creative Savings Methods (promote realistic choices):
 - I don't need a computer
 - We just won't watch TV

13. Entertainment

These are discretionary expenses and optional; however, students will need to practice being realistic at this booth more than any of the other eight. They will be quick to dismiss spending any money in this category. Again, it is unrealistic to not ever engage in date nights, visit the gym, enjoy a concert or movie, own a pet, etc.



ENTERTAINMENT			
it's time to have some fun			
RedBox	\$2	Movie Theater	\$12/person
High School Game	\$10	Bowling	\$25/person
Hamster	\$15	Golf	\$50/round
Blu-ray	\$20	Concert	\$75/person
Video Game	\$55	NBA Game	\$85/person
Dog/Cat	\$60	College Football Game	\$90/person
Save for Road Trip	\$70	NFL Game	\$125/person
Date Night	\$75		
Throw a Party	\$100		

ENTERTAINMENT
it's time to have some fun

Building rockets? Making videos?
 Debate team? Cheerleading? Cooking or Baking?
 Dancing? Rock climbing? **Playing guitar?** Bike riding?
 Singing karaoke?

What entertains you?

Activity: Cost: \$

(hobbies, lessons, clubs, crafts, art, music, theater, etc.)

Ask the students to select the options they would like and record it in their budgeting sheet.

Entertainment Discussion points:

- Individuals spend an average of 5-10% of their income on Entertainment
- How important is being active, in-shape and healthy?
- Do you currently own a pet?
- Creative Savings Methods (promote realistic choices):
 - We will just stay in every weekend.
 - I will leave my pets at my parent's house

Debriefing the Classroom Simulation

A good debriefing is an important aspect to the Classroom Simulation. Students need the opportunity to bring the experience full circle, sharing how the simulation impacted them and changed their perceptions. While the specific family scenarios are fictional, the practice of facing these real-life decisions are not.

Facilitate a conversation with students about their Classroom Simulation experience:

- If you had a negative budget, what pushed you over the edge?
- How many balanced their budgets the first time around?
- Did anyone have to use the money set aside for savings to pay for another lifestyle category?
Tell us about that thought process. Was it a difficult decision to make?
- What was your thought process when deciding how much to spend in certain lifestyle categories?
- Did you and your partner always agree?
- Were you surprised at your starting salary?
- Were you surprised at how much it costs for monthly expenses?
- If you did this exercise tomorrow, what would you do differently?
- Did this activity change the way you think about your family budget?
- DO YOU APPRECIATE YOUR PARENTS A BIT MORE AFTER COMPLETING THE CLASSROOM SIMULATION?

