

The Budgeting Game: Round 1

Remember that trade-offs are often necessary when making a budget. That means that you sometimes need to give up something in order to get something. In this activity we'll practice budgeting for our needs first and making trade-offs.

Directions:

1. The presentation leader will divide you up into groups of two.
2. Your group will receive a Budgeting Game handout and **20 paperclips**.
3. Each item has a set number of squares indicating how many paperclips are needed to "pay" for that item. Your group will work together to decide how to spend your income by placing paperclips in the category squares. You must use all 20 of your paperclips.
4. Your group **must** select an item in **each NEED** box. Then select **WANT** box items with remaining paperclips.

Housing and Utilities (Electric, Water, Trash, Internet, Online Movie Subscriptions/Cable, Furniture)

NEED (Electricity, Water and Heat)	NEED (Trash Service)	NEED (Phone Service)	WANT (Big House)	WANT (Fancy Furniture)
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Transportation

NEED (Bus / Train Pass)	NEED (Walking Shoes)	NEED (Biking Gear and Bike Maintenance)	WANT (New Bike)	WANT (Taxi)
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Food

NEED (Breakfast, Lunch, Dinner from Home)	NEED (Water, Milk or Juice)	WANT (Eating out)	WANT (Dessert)	WANT (Expensive Restaurant)
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Insurance, Emergency Savings, Retirement, and Vacation Savings

NEED (Health Insurance)	NEED (Retirement)	NEED (Life / Disability Insurance)	NEED (Emergency Savings)	WANT (Vacation Savings)
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Clothes, Fancy Phone, and Entertainment

NEED (Clothes)	WANT (Fancy Clothes)	WANT (Fancy Cell Phone)	WANT (Sporting Event)	WANT (Concert or Movie)
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Budgeting Tip #1: A **NEED** is necessary to stay alive. A **WANT** makes your life better. Budget **NEEDS** first.

Discussion Question #1: What is a value? How do you think your values influenced your choices?

Budgeting Tip #2: *Make Saving Automatic* — Save a portion of your paycheck by depositing money into an account for spending and an account for saving.

Discussion Question #2: How did your group's choices compare to the choices of other groups?

The Budgeting Game: Round 2

Directions:

1. Stay in your groups.
2. Just like the last round, your group will work together to decide how to spend your income by placing paperclips in the category squares.
3. Your group now has only **16 paperclips** to represent a cut in pay from work
4. Your group **must** select an item in **each NEED** box. Then select **WANT** box items with remaining paperclips.

Housing and Utilities (Electric, Water, Trash, Internet, Online Movie Subscriptions/Cable, Furniture)

NEED (Electricity, Water and Heat)	NEED (Trash Service)	NEED (Phone Service)	WANT (Big House)	WANT (Fancy Furniture)
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Transportation

NEED (Bus / Train Pass)	NEED (Walking Shoes)	NEED (Biking Gear and Bike Maintenance)	WANT (New Bike)	WANT (Taxi)
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Food

NEED (Breakfast, Lunch, Dinner from Home)	NEED (Water, Milk or Juice)	WANT (Eating out)	WANT (Dessert)	WANT (Expensive Restaurant)
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Insurance, Emergency Savings, Retirement, and Vacation Savings

NEED (Health Insurance)	NEED (Retirement)	NEED (Life / Disability Insurance)	NEED (Emergency Savings)	WANT (Vacation Savings)
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Clothes, Fancy Phone, and Entertainment

NEED (Clothes)	WANT (Fancy Clothes)	WANT (Fancy Cell Phone)	WANT (Sporting Event)	WANT (Concert or Movie)
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Budgeting Tip #1: A **NEED** is necessary to stay alive. If cuts are necessary, cut back on **WANTS**.

Budgeting Tip #2: If you borrow money to buy something like a car or home, you have to make payments every month. Never borrow more than you can pay back. If you lose your job or your pay is cut, it makes it harder to change your budget.

Discussion Question #1: What did you cut from the last round? How would it change your life?

Discussion Question #2: Did you and your partner disagree about what to cut? How did you talk about it?

Discussion Question #3: How could a lot of money in a savings account have helped after your pay cut?

Your Own Budget

Directions:

Imagine that you live on your own, if you do not already. You need to now set your own budget. Think about what you have learned today and then make your decisions. You cannot afford everything. You will have to give up saving for a trip, going to a movie, or buying clothing. What will it be?

For this exercise you may use your phone's calculator.

Step 1: Add up your income.

Step 2: Circle the amounts for the things you will pay for, circle \$0 if you feel you cannot afford it. (For example: If you cannot afford to spend \$25 at the movies, circle "\$0".)

Step 3: Add up your expenses.

Step 4: Subtract the expenses from your income

Month: January	Balance your budget in this column
My Income	
Earned Income (I am earning this from my job)	\$90
Unearned Income (This is my allowance)	\$10
My Total Income (Earned + Unearned Income) →	
Money I Am Saving Toward My Savings Goal And For Emergencies	
My monthly savings OPTION toward a prom dress is \$25	Circle: \$0 or \$25
My Fixed Expenses: My Expenses That May Not Change Each Month	
Cell phone bill that MUST be paid	\$30
Car payment that MUST be paid	\$20
Changing Expenses: My Expenses That May Change Each Month	
Movie cost is \$25	Circle: \$0 or \$25
Clothing cost is \$25	Circle: \$0 or \$25
My Total Expenses (Fixed + Variable Expenses) →	
Balance (My Total Income – My Monthly Savings – My Total Expenses = \$0) →	