THE BEAN GAME
Living on a “20 Bean Salary”

Recreated and Reproduced by
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Game Instructions

Purpose
Managing money means making choices. There is never enough money available for all of the things we’d like to have or do. This game will help you decide what is most important to you.

How to Play
This game may be played individually, but optimum results come from playing in a group of 2 or more. Divide participants into groups of at least 2 and not more than 5. Each individual/group receives 20 beans and a set of spending category sheets. The individual/group must decide how to spend their “income” based on life circumstances, values and goals. Each item has a set number of squares which indicates how many beans are needed to “pay” for that item.

ROUND #1
First, each individual/group must select one item in each of the categories with the gold stars (Food, Housing, Furnishings, Transportation, Insurance and Clothing & Laundry). Once you have finished selecting items in the required categories, continue selecting items until you have used up your 20 bean income.

DISCUSSION QUESTIONS
Why did you choose the items you did? In what ways were you influenced by your values? Your goals? Your previous experiences? Compare what you spent your beans on with another individual/group.

ROUND #2
Your income has just been cut to 13 beans. What will you give up? What changes will you make? Make changes until you only have 13 beans on your spending sheets.

DISCUSSION QUESTIONS
What kinds of items did you choose to give up? Why? What did you learn about yourself and money in this process? Compare your budget-cutting choices with another individual/group.

OTHER CHOICES you may have to make…
1) Someone in the family just broke their leg. If you have insurance, you don’t need to do anything. If you don’t, take off 3 beans.
2) Your mom or dad just got a 2 bean raise! Decide where it should be spent.

Resources:
Housing with Utilities

- live with relatives sharing cost of utilities (no phone)
- share an apartment or house with others, including basic utilities (no phone)
- rent place of your own, including basic utilities (no phone)

Insurance

Auto
- Liability coverage only
- Complete coverage

Health and Disability
- No coverage
- Fringe benefits of job
- Basic health coverage
- Individual health & disability coverage

Renters
- Property and liability coverage

Communications

- No phone
- Phone with limited long distance calls
- Phone with many long distance calls
- Cell phone
- High-speed Internet

Gifts

- Make your own
- Purchase cards or small gifts occasionally
- Purchase frequent gifts for family and friends

Savings

- Change in piggy bank
- Five percent of income
- Ten percent of income
- Invest for retirement
- Contribution to charities and religious groups

Furnishings

- Borrow from relatives or friends
- Rent furniture or live in furnished apartment
- Buy at a garage sale or thrift shop
- Buy new furniture

☆ Gold Star denotes Required Category
Check Out These Budgeting Tips

♦ **Wants vs. Needs** — A *need* is a necessity, such as housing or food. A *want* can be anything and may not be a necessity. Be careful when spending on wants.

♦ **Pay Yourself First** — After budgeting for necessities and before spending anything for wants, always tuck away some money from each paycheck for emergencies into a rainy day savings account.

♦ **Before Charging** — Ask yourself: 1) Do I really *need* it? and 2) Will I still have this 5 years from now? If the answers are *No*, then wait until you can pay cash.

♦ **Rule of Percentages** — A good rule of thumb for budgeting your salary is: 70% pay current bills, 20% save for future purchases, 10% invest for long term.

♦ **Money Tracking** — We often spend money without thinking about it. Keep track of all your expenditures (cash, checks, debit cards, ATM withdrawals and credit cards), even the smallest ones. Record them every time in a notebook or register. Review them regularly to make yourself aware of where your money goes.

♦ **Fixed, Flexible or Luxury?** — Categorize the expenses in your budget. Is it *fixed*, such as rent or a car payment? Is it *flexible* such as groceries, gas or long distance use? Or is it *luxury*, such as entertainment or going out to eat?

♦ **Rule of 72** (to double your money) — If you know the interest rate you can get, divide 72 by the known interest rate and it will give you how many years it will take to double your money. If you know how many years you have, divide 72 by the number of years and it will tell you what interest rate you must have to double your money.

    Examples: If interest rate is 6%. \(72 ÷ 6 = 12\) years. If time is 10 years. \(72 ÷ 10 = 7.2\%\) interest rate needed.

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### Average Expenditure Breakdown for Total Household Income

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>Housing</td>
</tr>
<tr>
<td>18%</td>
<td>Transportation</td>
</tr>
<tr>
<td>16%</td>
<td>Food</td>
</tr>
<tr>
<td>8%</td>
<td>Charity / Misc.</td>
</tr>
<tr>
<td>5%</td>
<td>Clothing</td>
</tr>
<tr>
<td>5%</td>
<td>Medical</td>
</tr>
<tr>
<td>5%</td>
<td>Recreation</td>
</tr>
<tr>
<td>5%</td>
<td>Utilities</td>
</tr>
<tr>
<td>4%</td>
<td>Savings</td>
</tr>
<tr>
<td>4%</td>
<td>Other Debts</td>
</tr>
<tr>
<td>Recreation</td>
<td>Personal care</td>
</tr>
<tr>
<td>-------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Hiking, walking, visiting friends or library</td>
<td>Basic products like soap, shampoo, toothpaste, make-up, etc.</td>
</tr>
<tr>
<td>TV, snacks, picnics, driving around</td>
<td>Occasional professional haircuts, basic personal care products</td>
</tr>
<tr>
<td>Cable TV, sports and movies</td>
<td>Regular professional hairstyling, name brand personal care products</td>
</tr>
<tr>
<td>Fishing, hunting, hobbies</td>
<td></td>
</tr>
<tr>
<td>CDs/music, books, DVDs</td>
<td></td>
</tr>
<tr>
<td>Concerts, vacations &amp; spectator sports</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Food</th>
<th>Clothing &amp; Laundry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook at home; dinner out once a week</td>
<td>Clothing</td>
</tr>
<tr>
<td>Frequent fast food lunches and weekly dinner out; cook other meals at home</td>
<td>Wear present wardrobe</td>
</tr>
<tr>
<td>All meals away from home</td>
<td>Use your sewing skills</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transportation</th>
<th>More choices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walk or bike</td>
<td>Books or other items purchased on installment plan</td>
</tr>
<tr>
<td>Ride bus or join a carpool</td>
<td>Newspaper and magazine subscriptions</td>
</tr>
<tr>
<td>Buy fuel for family car</td>
<td>New TV, DVD player or iPod</td>
</tr>
<tr>
<td>Buy used car and fuel</td>
<td></td>
</tr>
<tr>
<td>Buy new car and fuel</td>
<td></td>
</tr>
</tbody>
</table>

Gold Star denotes Required Category

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