

SM2-1: Budget Busters

Purpose: Examine current personal money management habits by participating in this activity.

Materials:

Play money: enough so that each class member can have 10 bills. All bills can be the same denomination, or you can use a variety of bills and vary the “cost” of the questions.

Wastebaskets: place several containers around the room on tables where the money will be thrown away. Students can also make a pile of the discarded bills on their desks.

Directions:

- 1 Give everyone in class 10 bills. You can vary the number of bills to change the length of the exercise.
- 2 Read a series of questions to which students will respond “yes” or “no.” Use the questions listed, or create your own based on the material you are covering in class.
- 3 Collect one bill each time the student responds with a “no” answer. (If you are using waste containers, students can throw the bills away or make a pile of the discarded bills.)
- 4 Debrief the students by asking them about both their successes and failures. This activity can help students realize that they are “throwing away” or saving real money based on their choices and actions.

Questions:

1. I have written down my financial goals.
2. I have a plan for reaching my goals.
3. I have a spending plan for my allowance and any earnings from working for others or for myself.
4. Before spending my paycheck, I review my goals and pay myself first.
5. I plan how I will use the rest of my paycheck before I say yes to any impulse spending.
6. I have a wardrobe plan based on a basic color, styles best suited to my body type, and lifestyle needs.
7. I know how much I can spend on clothing each month/year.
8. I have a budget for snacks and meals eaten away from home.
9. I know how much I can spend each day/week for snacks.
10. I pack a lunch from home to save money and achieve better nutrition.
11. I plan ahead for times of big expenses, such as graduation, yearbooks, proms, and school and community activities so that I’ll have the money I need to attend/participate.
12. I take care of my teeth by brushing regularly, getting regular checkups, and cutting out sodas and other sugar-laden products.
13. If I want to make a major purchase (\$100 or more), I do comparison shopping to get the best buy for my money.
14. All of my purchases are part of my plan for reaching my goals.

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15. I plan some money for spending as I please, but only after paying myself first.
16. I choose snacks from the pyramid that contribute to good health.
17. I don't spend my hard-earned cash on junk food.
18. I limit junk food to an occasional treat rather than as an everyday habit.
19. I have an emergency fund set aside equal to at least two months of living expenses.
20. I pay off the entire balance due on my credit cards each month to avoid interest charges.
21. I understand the returned merchandise policy of a store before buying. Merchants are not required to allow returns.
22. I consider the cost of owning and caring for goods before purchase, such as the cost to clean leather and suede, or space to store the item.
23. I know the difference between wants and needs.
24. I know the rate of interest I am receiving on my bank or credit union savings account.
25. I belong to a credit union to reduce transaction costs.
26. I know the blue book values of any used car I might consider before agreeing on a purchase price.
27. I determine the amount I have to spend on a car and secure financing for that amount before selecting a car.
28. I have a wardrobe plan so that I know what I need to add to maximize the clothing already owned.
29. I have a plan for after graduation that includes additional training so that I can get and keep a living wage job.
30. I have determined several goals for my future.
31. I take care with my personal appearance including bathing daily, wearing clean and neat clothes, and keeping clean hands and nails. (What does this "cost" you in a lifetime if you don't do it?)
32. I can provide one good example of a spending mistake I made that helped me learn an important lesson in money management.
33. I am aware of three or more of my personal strengths.

Adapted from the WSU Cooperative Extension Money Management Advisor Manual by Doris Torkelson, M.S., Area Agent, Grays Harbor and Mason Counties (torkels@wsu.edu).