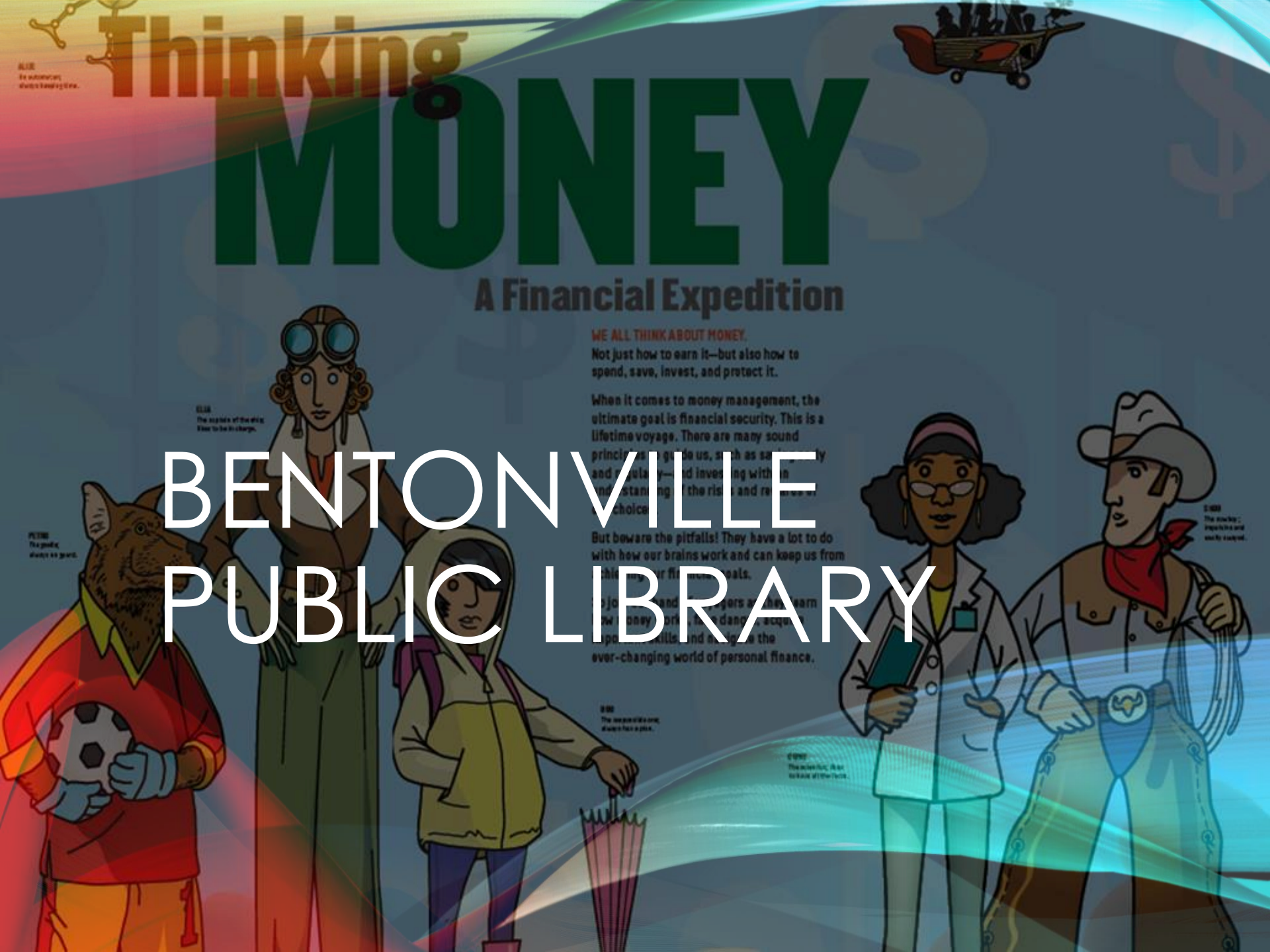


BENTONVILLE PUBLIC LIBRARY

BESSIE MOORE CENTER FOR ECONOMIC EDUCATION

Dr. Rita Littrell, Director

BUDGET GAME:

Living on a 20 Square Salary

INTRODUCTION

- Managing money means making choices.
- There is never enough money for all the things we'd like to do.
- This game will help you decide what is most important to you!
- Need game board and pennies!

DIRECTIONS

- Today you have 20 pennies of income.
- The # indicates the number of pennies needed to buy that item.
- First you must select housing, food, clothing and transportation.
- Then allocate the remainder of your pennies!

DISCUSSION

- Compare your choices to those of others.
- How do your values, goals and past experiences affect your spending choices?
- What did you learn about yourself?

ROUND 2

- Your income has been cut into 15 pennies.
- What will you change or give up?
- Move your pennies to represent your new choices.
- Make changes until you have only consumed 15 pennies.

BUDGETING TIPS

- **Wants vs Needs.**
- **Pay yourself first!**
- **Before charging – Do I need it? Will I have it 5 years from now?**
- **Rule of percentages:**
  - **70% pay current bills**
  - **20% save for future purchases**
  - **10% invest for long term**
- **Money tracking – track expenditures – use budget**

AR 2017 PERSONAL FINANCE STANDARDS

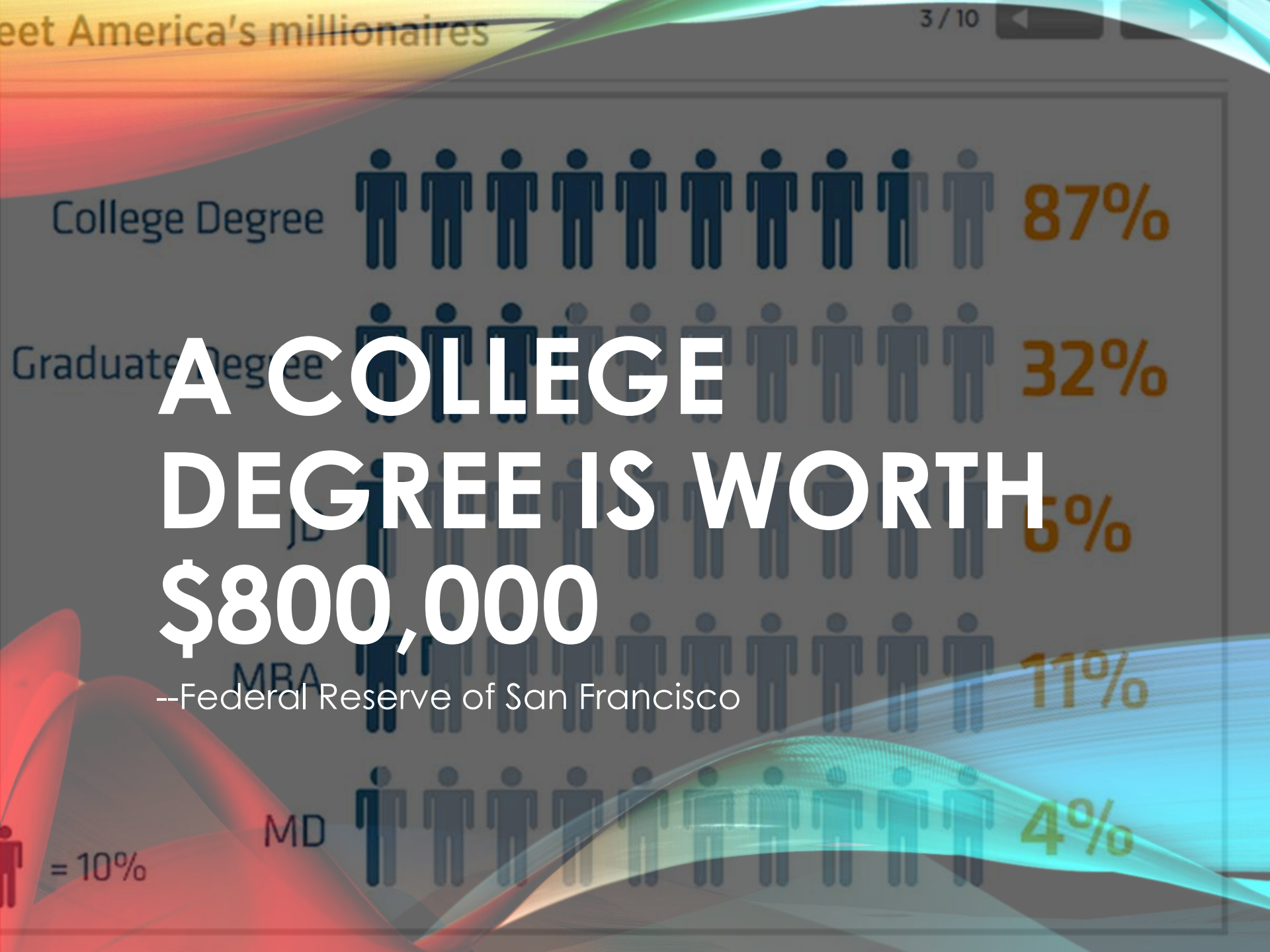
1. Employment/Income
2. College and Career Planning
3. Credit
4. Money Management
5. Insurance
6. Saving/Investing

EMPLOYMENT/INCOME

- Apply for a job
- Be successful in workplace
- Understand payroll and salary impacts

CAREER & COLLEGE PLANNING

Students will plan for potential careers.



A COLLEGE DEGREE IS WORTH $800,000

--Federal Reserve of San Francisco

A COLLEGE DEGREE

Improved Self-Esteem

Healthy Choices

Higher Job Satisfaction

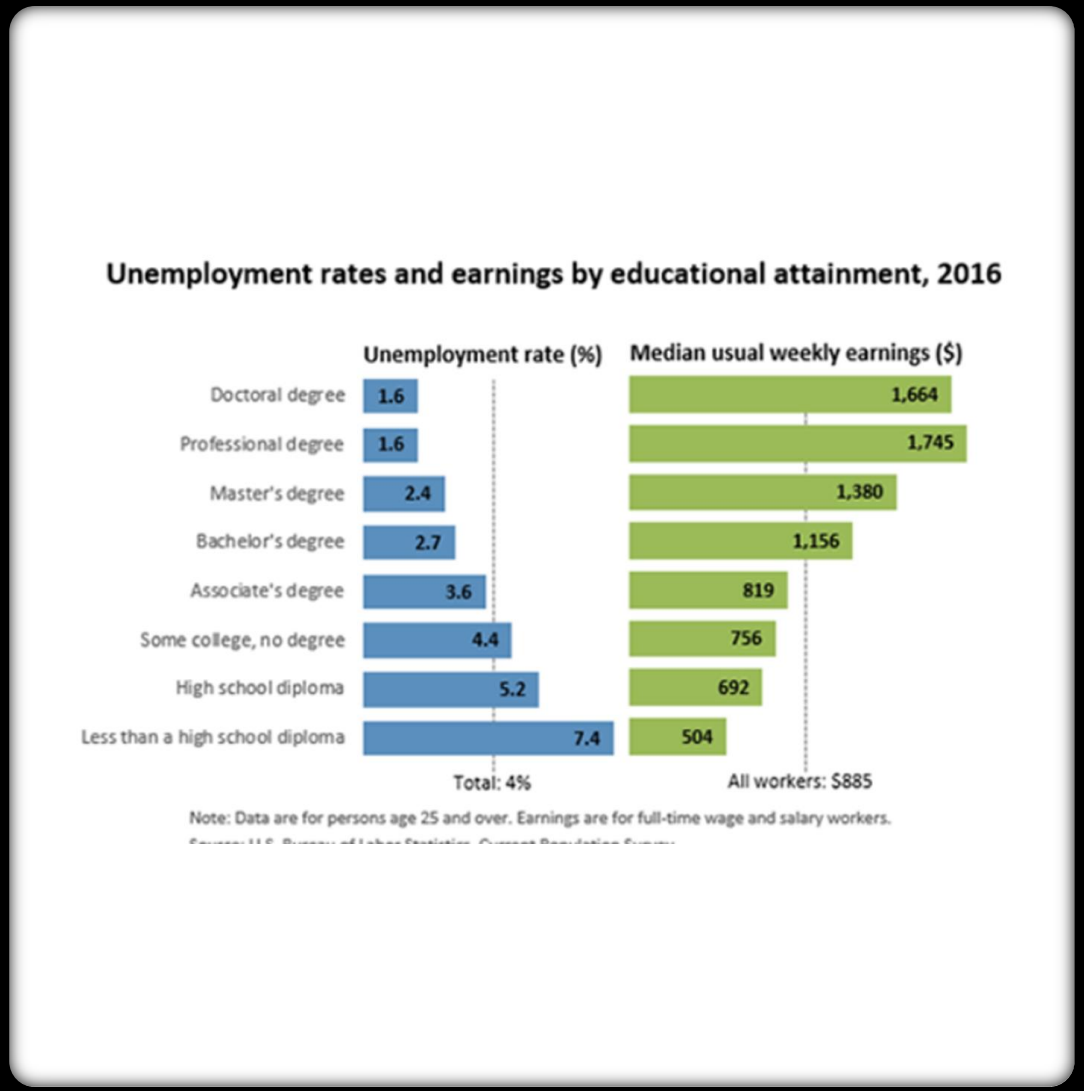
Passing on the Legacy

Higher Employment

UNEMPLOYMENT RATES & EARNINGS, 2016

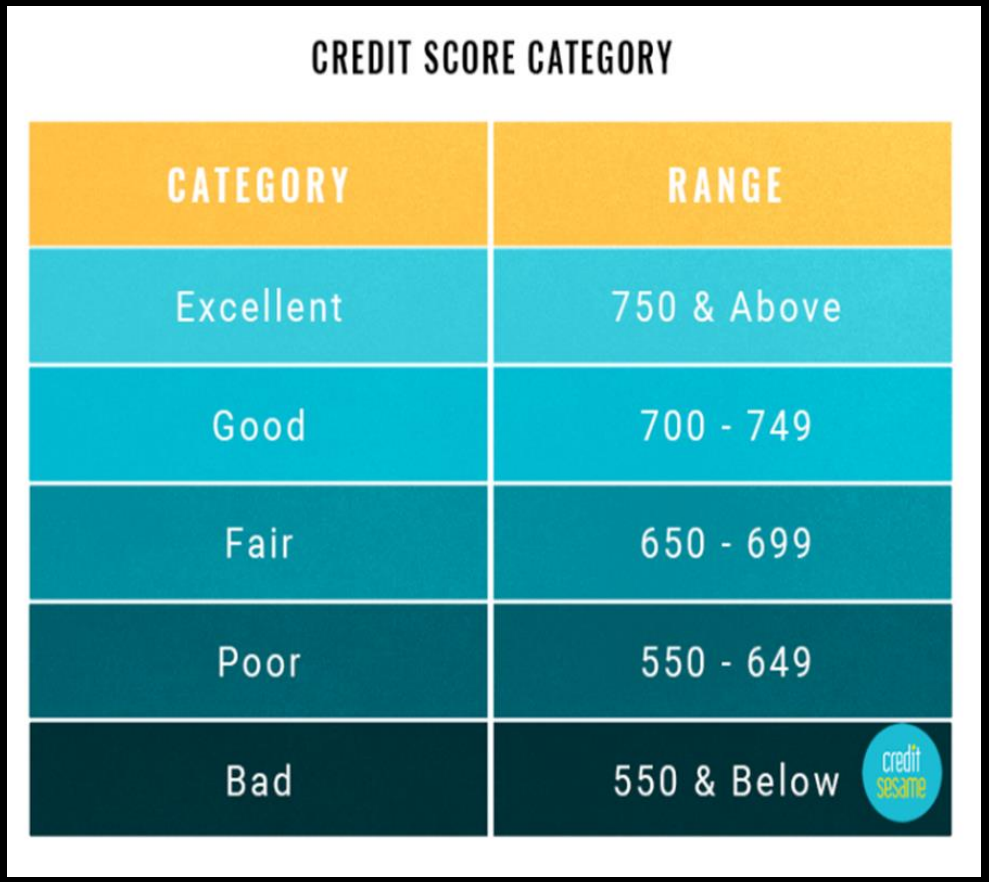
Benefits of College

- Improved Self-Esteem
- Healthy Choices
- Higher Job Satisfaction
- Passing on Legacy
- Higher Employment

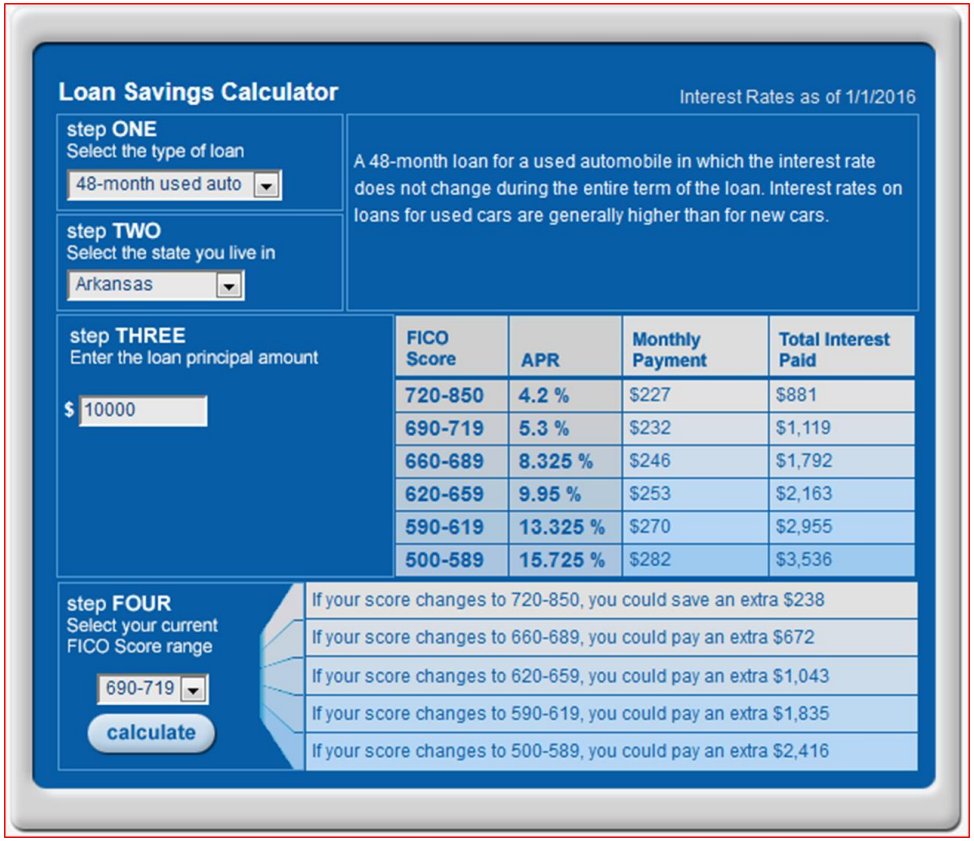


CREDIT

Understand implications associated with using credit.



BENEFITS OF A GOOD CREDIT SCORE



Loan Savings Calculator

Interest Rates as of 1/1/2016

step **ONE**
Select the type of loan
48-month used auto

step **TWO**
Select the state you live in
Arkansas

A 48-month loan for a used automobile in which the interest rate does not change during the entire term of the loan. Interest rates on loans for used cars are generally higher than for new cars.

step **THREE**
Enter the loan principal amount
$ 10000

FICO Score	APR	Monthly Payment	Total Interest Paid
720-850	4.2 %	$227	$881
690-719	5.3 %	$232	$1,119
660-689	8.325 %	$246	$1,792
620-659	9.95 %	$253	$2,163
590-619	13.325 %	$270	$2,955
500-589	15.725 %	$282	$3,536

step **FOUR**
Select your current FICO Score range
690-719
calculate

If your score changes to 720-850, you could save an extra $238
If your score changes to 660-689, you could pay an extra $672
If your score changes to 620-659, you could pay an extra $1,043
If your score changes to 590-619, you could pay an extra $1,835
If your score changes to 500-589, you could pay an extra $2,416

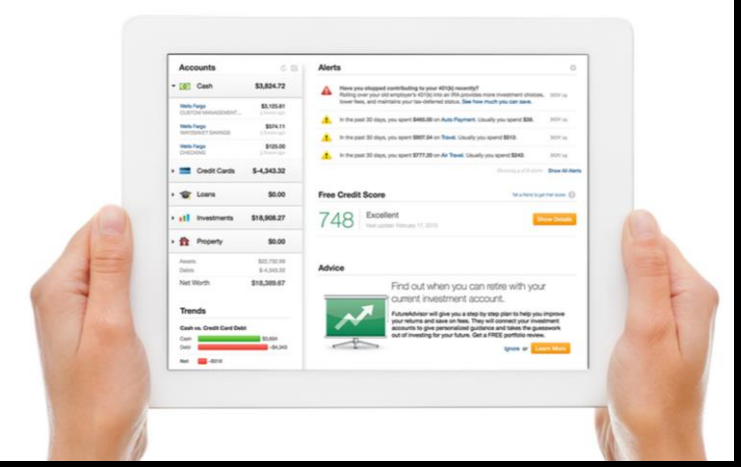
BUILDING CREDIT- WHAT COUNTS!

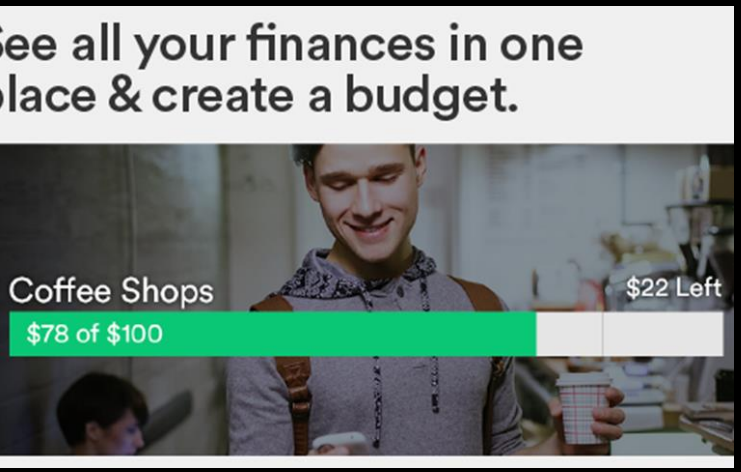
- Formula for a good credit score:
- Pay bills on time.
- Low credit utilization >30%.
- Apply for few cards.
- Use different types of credit responsibly.
- Longer history a plus.

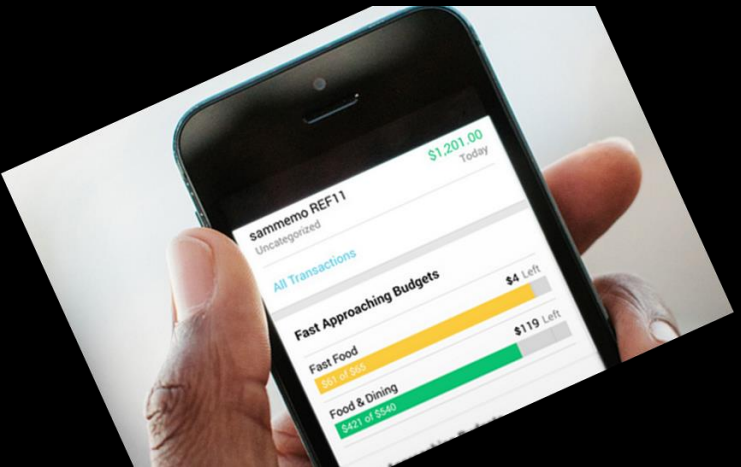
HOW CAN YOU ESTABLISH CREDIT?

- Retail cards
- Your bank's credit card
- A secured card
- A credit union
- Someone co-signs for you
- As a secondary borrower on a joint account
- Authorized user on an account

It is important to start establishing credit!







MONEY MANAGEMENT

Banking and Money Management

INSURANCE

LIFE
HEALTH
ACCIDENT
PROPERTY
INSURANCE
HOME
TRAVEL
INJURY

EconEdLink
Compound Interest Calculator

SAVING/INVESTING

How saving and investing can impact future finances.

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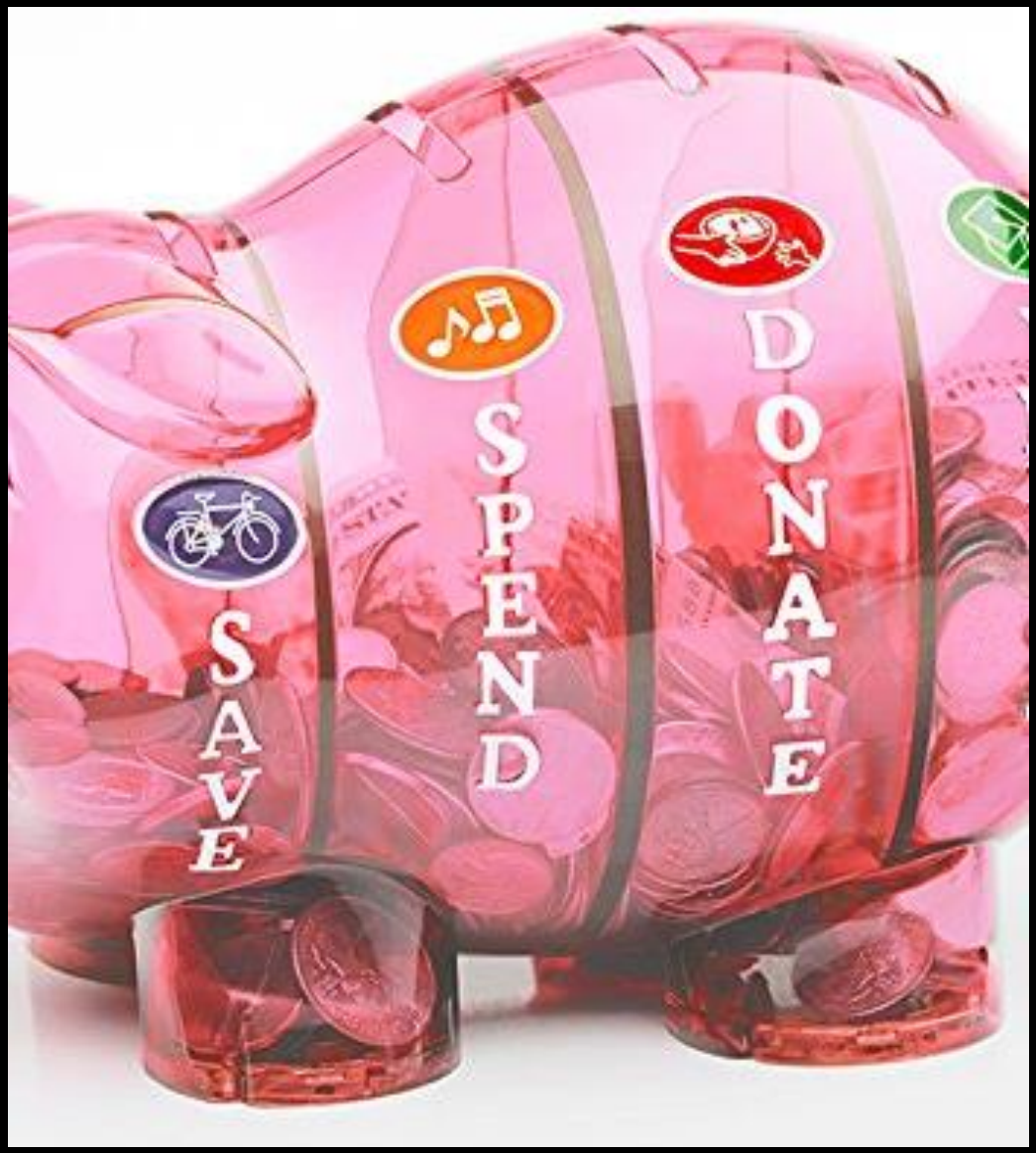
SAVING

- Short term goals
- Long term goals



IF YOU NEED CREDIT ASSISTANCE:

- **479.521.8877**
- **www.CCOAcares.com**

They are there to help people with financial concerns to correct their wrongs!

MISSION

To deepen understanding, among Arkansas K-12 students and teachers, of the entrepreneurship-related opportunities afforded by the American economic system and to inspire students to pursue these opportunities.

QUESTIONS?

Contact: rlittrell@walton.uark.edu