# DOLLARS & SENSE
## TEACHER GUIDE


### 1. Watch

**Show the Meet Joe video clip.**

To view the video, visit richmondfed.org/meetjoe.

### 2. Discuss

**Discuss the video using the following questions.**

What are some of the choices Joe made?
What solutions were presented to Joe?
If you were Joe, what would you do differently?
How would you plan for your spending?

### 3. Play

**Distribute and complete the Dollars & Sense activity.**

a. Select lifestyle spending options.
b. Flip a coin for each Chance occurrence.
c. Choose a career aligned with your interests, and gather income and education information.
d. On the budget table record the dollar values for your income, monthly expenses, taxes, savings, chance items, and student loan repayment.
e. Calculate your budget to see if you have a surplus of shortfall.

### 4. Share

**Have students share choices and discuss outcomes.**

Is the "Balance" positive or negative?
- If it's positive, it represents additional money available for spending or savings.
- A negative value indicates that spending is greater than earnings.

What about the "Surplus/Shortfall"?
- If the value is positive, students are on the right track to a healthy budget.
- If it's negative, students likely don't have enough money saved for unexpected events.

Ask students if the "Surplus/Shortfall" would become positive or negative as a result of getting the opposite results on the Chance items.
Encourage students to select different lifestyle and career options and discuss how those choices affect their budgets.
Ask students if "Balance" or "Surplus/Shortfall" is more important when planning for future spending.

**If students are unable to balance their budget, inform them that the dollar values represent averages and can be adjusted by writing-in new values for expenses and savings.*

**OPTIONAL** — **Check out Invest in What's Next on fre.org!**

Help your student build a plan for their future lifestyle and career. Invest in What's Next: Life After High School is a free online mini-course designed to help students:
- Investigate multiple post-secondary education and career options
- Evaluate the importance of completing high school
- Explore the costs and benefits of education after high school
- Develop a plan for paying for post-secondary education and managing student loans

Income

## CHOOSE A CAREER

Circle a career that interests you, and then return to the inside to finish paying your bills. Enter the monthly income, tax and student loan repayment amounts in your budget table.

High School Diploma | Certificate | Associate's Degree | Bachelor's Degree | Master's Degree | Doctoral or Professional Degree

| Career | Income | Taxes | Student Loan Repayment |
|---|---|---|---|
| Writer | $61,000/year, $5,080/month | $390/month | $310/month |
| Secretary | $37,000/year, $3,080/month | $180/month | |
| Librarian | $58,000/year, $4,830/month | $360/month | $440/month |
| Motorcycle Mechanic | $35,000/year, $2,920/month | $170/month | $140/month |
| Paralegal | $50,000/year, $4,170/month | $290/month | $180/month |
| Actor | $39,000/year, $3,250/month | $200/month | |
| Dietitian | $59,000/year, $4,920/month | $370/month | $310/month |
| Paramedic | $33,000/year, $2,750/month | $150/month | $140/month |
| Veterinarian | $89,000/year, $7,420/month | $740/month | $1,280/month |
| Audio Technician | $43,000/year, $3,580/month | $230/month | $140/month |
| Civil Engineer | $84,000/year, $7,000/month | $680/month | $310/month |
| Lawyer | $118,000/year, $9,830/month | $1,220/month | $1,280/month |
| Accountant | $68,000/year, $5,670/month | $480/month | $310/month |
| Economist | $101,000/year, $8,420/month | $930/month | $440/month |
| Auto Mechanic | $39,000/year, $3,250/month | $200/month | $140/month |
| Teacher | $58,000/year, $4,830/month | $360/month | $310/month |
| Doctor | $208,000/year, $17,330/month | $3,080/month | $1,280/month |
| Air Traffic Controller | $123,000/year, $10,250/month | $1,310/month | $180/month |
| Photographer | $34,000/year, $2,830/month | $160/month | |
| Firefighter | $48,000/year, $4,000/month | $280/month | $140/month |
| Chef | $43,000/year, $3,580/month | $230/month | |
| Web Developer | $66,000/year, $5,500/month | $450/month | $180/month |
| Plumber | $51,000/year, $4,250/month | $300/month | |
| Physical Therapist | $85,000/year, $7,080/month | $690/month | $1,280/month |
| Social Worker | $47,000/year, $3,920/month | $270/month | $440/month |
| Computer Engineer | $115,000/year, $9,580/month | $1,170/month | $310/month |
| Bus Driver | $32,000/year, $2,670/month | $140/month | |
| Dental Hygienist | $73,000/year, $6,080/month | $540/month | $180/month |
| Multimedia Artist | $65,000/year, $5,420/month | $440/month | $310/month |
| Radiation Therapist | $80,000/year, $6,670/month | $630/month | $180/month |
| Zoologist | $61,000/year, $5,080/month | $390/month | $310/month |
| Police Officer | $60,000/year, $5,000/month | $380/month | |
| Massage Therapist | $40,000/year, $3,330/month | $210/month | $140/month |
| Dentist | $160,000/year, $13,330/month | $2,080/month | $1,280/month |
| Principal | $93,000/year, $7,750/month | $800/month | $440/month |

Want to continue building a plan for your future lifestyle and career?
Check out investinwhatsnext.org!

The Federal Reserve Bank of Richmond • richmondfed.org

FEDERAL RESERVE BANK OF RICHMOND
Richmond • Baltimore • Charlotte

# DOLLARS & SENSE
## WATCH YOUR EXPENSE!

Choose a lifestyle & career and learn how to budget your money.

START

## CHOOSE YOUR HOME

### Suburban Oasis

| Monthly Payment | Utilities |
|---|---|
| $2,000 | $400 |

### Upscale High Life

| Monthly Payment | Utilities |
|---|---|
| $1,470 | $330 |

### Cozy Quaintness

| Monthly Payment | Utilities |
|---|---|
| $960 | $240 |

### Close Quarters

| Monthly Payment | Utilities |
|---|---|
| $610 | $190 |

Go on to Transportation

STOP

**TAKE A CHANCE:** Life brings unexpected events; some bring money, others add expense.

**FLIP A COIN** to reveal your fate.

**HEADS**
Your laptop is stolen and you must spend $1,320 to replace it. You can pay in monthly installments.

**TAILS**
To help build your savings, a relative deposits $25 each month into your savings account.

## Transportation

### How will you get around?

**Stop & Go**

| Monthly Payment | Fuel Expense |
|---|---|
| $200 | $0/month |

**Putt - Putt**

| Monthly Payment | Fuel Expense |
|---|---|
| $300 | $150/month |

**Slow & Steady**

| Monthly Payment | Fuel Expense |
|---|---|
| $450 | $250/month |

**Zoom - Zoom**

| Monthly Payment | Fuel Expense |
|---|---|
| $800 | $400/month |

**CHANCE:** Will it be income or expense? **FLIP A COIN** to find out.


| HEADS | TAILS |
|---|---|
| You win $600 from a radio contest paid in monthly installments over the year. | Last year you made a mistake on your taxes. You now must repay the $1,200 you owe over the course of a year. |

## Connectivity

### You have to keep in touch!

Choose as many as you want.

**Phone**

| Expense | $80/month |
|---|---|

**High Speed Internet**

| Expense | $70/month |
|---|---|

**Internet TV**

| Expense | $50/month |
|---|---|

**Premium TV**

| Expense | $130/month |
|---|---|

## Savings

### Don't forget to pay yourself!

**Simple Saver**

| Saving Rate | Calculation |
|---|---|
| 5% /month | Divide monthly income by 20 |

**Savvy Saver**

| Saving Rate | Calculation |
|---|---|
| 10% /month | Divide monthly income by 10 |

**Super Saver**

| Saving Rate | Calculation |
|---|---|
| 20% /month | Divide monthly income by 5 |

## Clothing

### What to wear, what to wear?

**The Lounger**

| Expense | $60/month |
|---|---|

**The Trendsetter**

| Expense | $120/month |
|---|---|

**The Sophisticate**

| Expense | $250/month |
|---|---|

**The Glamour Guru**

| Expense | $500/month |
|---|---|

## Entertainment

### What will you do for fun?

**The Stay at Home**

| Expense | $100/month |
|---|---|


**The Weekender**

| Expense | $250/month |
|---|---|

**The Big Spender**

| Expense | $400/month |
|---|---|

## Food

### What will you eat?

**Basic Basket**

| Expense | Description |
|---|---|
| $400/ month | Just the necessities, all store brands |

**Common Cuisine**

| Expense | Description |
|---|---|
| $600/ month | Mixture of basic goods, name brand items & restaurant meals |


**Royal Feast**

| Expense | Description |
|---|---|
| $1,000/ month | Mixture of organic, gourmet, name brand items & restaurant meals |

## Budget

### Time to pay your bills!

Enter your payment information in the appropriate space. Use a pencil in case you need to adjust.

| **INCOME** (To find your income, choose a career from the back.) | **MONTHLY $ AMOUNT** |
|---|---|
| Income | |
| - Taxes | - |
| **DISPOSABLE INCOME** (income – taxes) | = |
| - Student Loan Repayment | - |
| - Savings | - |
| **MONEY AVAILABLE FOR SPENDING** (disposable income – student loan repayment – savings) | = |
| - Housing (include utilities) | - |
| - Food | - |
| - Clothing | - |
| - Transportation (include fuel) | - |
| - Entertainment | - |
| - Connectivity (include all options selected) | - |
| - Health Care (average spending) | **- $340** |
| **= BALANCE** (money available for spending – spending) | = |
| +/- Chance 1 | +/- |
| +/- Chance 2 | +/- |
| **SURPLUS/SHORTFALL** (balance +/- chances) | = |

As you plan for your future, you'll need to check that your budget balances (balance = 0). If your budget is balanced, you've put aside money as savings and planned for your expenses. You'll also be better prepared to handle unexpected events! If by chance something adds to your income, you'll have a surplus. That means you have more money available to save or spend. If it's an unexpected expense, you'll have a shortfall. You'll need to use some of your savings or reduce your expenses.