Lesson 3.4: Reality Check: The Life You Can Afford

Lesson Author

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Standards and Benchmarks

See page 5.

Lesson Description

Reality Check: The Life You Can Afford is an interactive financial literacy simulation in which students are assigned a household scenario (career, income, family size, credit profile, and other factors) and must budget for real-world expenses by rotating through themed stations. Students confront realistic financial tradeoffs, unexpected events, and opportunity costs while attempting to balance a monthly budget. This lesson emphasizes that income, family structure, and life circumstances significantly affect financial decision-making. Students leave with a deeper understanding of fixed vs. variable expenses, budgeting constraints, and the realities of adult financial life. To obtain an answer key for the assessment in this lesson, create an account on FederalReserveEducation.org.

Concepts

Budgeting
Fixed expenses
Gross income
Net income
Opportunity cost
Variable expenses

Objectives

Students will be able to:

- develop a budget to allocate income to necessary and desired spending, including both fixed and variable expenses.
- describe how having a system for financial record-keeping can make it easier to make financial decisions.

Compelling Question

How does creating a budget help us manage the impact of fixed and variable expenses on our financial stability?

Time Required

60-90 minutes

Materials

- Reality Check: The Life You Can Afford Lesson Slides, one copy for teacher to display (optional)
- Handout 3.4.1: Reality Check Character Cards, one card per student, cut apart
- Handout 3.4.2: Budgeting Station Cards, one class set
- Handout 3.4.3: Student Budgeting Worksheet, electronic or hard copy version, one copy for each student
- Handout 3.4.4: Selection Sheet, one copy for each student (if completing budgeting electronically)
- Handout 3.4.5: Financial Curveball Cards, one card for each student, cut apart
- Handout 3.4.6: Assessment, one copy for each student

Preparation

- You will need to cut Handout 3.4.1: Reality Check Character Cards and Handout 3.4.5: Financial Curveball Cards.
- If completing as a station activity: Print Handout 3.4.2: Budgeting Station Cards and place the stations cards around the room.

Procedure

1. Begin with a brief class discussion:

    a. What does it mean to be financially independent? (*Answers will vary, but may include: If someone is financially independent, it means that they are providing for themselves. They are not relying on someone else to pay for their expenses.*)

    b. Do adults have complete control over their finances? Why or why not? (*Answers will vary, but may include: Most adults do not have complete control over their finances because there are always unexpected things that happen in life that people can't plan for.*)

2. Explain that students will participate in a simulation where they must **budget** for a real-life household using the income and circumstances they are given. Explain to students that a **budget** is a plan for how income will be spent in a given time period.

    NOTE: This activity is best completed as a station activity using the printed station cards; however, if your students need more guidance this can also be completed as a guided, whole class activity using Reality Check: The Life You Can Afford Lesson Slides.

3. Distribute one character card from Handout 3.4.1: Reality Check Character Cards, to each student. There are a total of 18 different character cards. Depending on your class size, you may need to make multiple copies of the handout and duplicate characters.

4. Review the information on the card with students.

5. Make sure to briefly explain key vocabulary related to credit scores.

    a. Career and monthly **net income**; explain to students that **net income** is the amount of money that they will receive after taxes and deductions are subtracted from their **gross income** (their income before taxes and deductions).

    b. Family size

    c. Education level

    d. Credit score

    NOTE: Students may not have been explicitly taught about credit scores yet. Explain to students that a credit score is a number that shows how trustworthy you are when it comes to borrowing money. It helps lenders decide whether to lend to you and how much interest to charge. Credit scores usually range from 300 to 850. A higher score means you are seen as a lower risk and usually get better interest rates. A lower score means borrowing costs more, or you may not be approved at all.

6. Emphasize to students that they may not change their scenario; this is their financial reality for the activity.

7. Give each student a copy of Handout 3.4.3: Student Budgeting Worksheet.

    NOTE: If completing the worksheet electronically have students access the electronic version and distribute Handout 3.4.4: Selection Sheet.

8. Explain to students how the stations work: some expenses are required (housing, utilities, groceries, debt, healthcare), and some expenses are optional (dining out, entertainment, extras). Students must record all choices on their budgeting worksheet or selection sheet.

9. Review the difference between **fixed and variable expenses**, and where students should record each. Explain to students: Fixed expenses are costs that usually stay the same each month. These are bills you can easily plan for. Variable expenses change from month to month and depend on your choices or usage.

10. Put the students into small groups of 2-3. Have each group start at a different budgeting station. Have students rotate to a new station after 3-5 minutes.

11. While students are rotating through the budgeting stations, circulate to ask guiding questions:

    a. Why did you make the choice you did?

    b. What could you cut if money gets tight?

    c. How does family size affect this choice?

    d. Does your credit score play a role in this decision?

12. Approximately halfway through the station rotations, have students draw one card from Handout 3.4.5: Financial Curveball Card. Students must immediately adjust their budgets accordingly.

13. Once all stations are completed, students calculate: total fixed expenses, total variable expenses, and remaining balance or deficit.

14. Allow students to revisit budgeting stations if they need to cut expenses to balance their budget.

Closure

15. Use whole-class discussion or written reflection prompts:

    a. Was your budget balanced? Why or why not? (*Answers may vary, but may include: "Yes, my budget was balanced because I prioritized needs over wants. I chose a shared apartment and used public transportation to ensure I had money left over for savings and emergencies." Alternatively, students may say "No, my budget was not balanced. I underestimated how much utilities and groceries would cost, and by the time I accounted for my car payment, I was spending more than I earned."*)

    b. Which expense was hardest to afford? (*Answers may vary, but may include: "Housing was the toughest. Even the apartment option took up nearly 40% of my net income, which made other decisions very difficult."*)

    c. What surprised you most about your financial situation? (*Answers may vary, but may include: "I was surprised by how quickly small, daily expenses add up and I was shocked by the cost of health insurance."*)

    d. Did a higher income always mean an easier budget? Why or why not? (*Answers may vary, but may include: "A higher income provides a bigger safety net, but only if managed well. A higher income made it easier to absorb certain expenses, but it didn't fix bad spending habits."*)

    e. How did unexpected events affect your financial stability? (*Answers may vary, but may include: "It showed me that a budget isn't just a plan for when things go right; it's also protection for when things go wrong. After getting a flat tire, I was able to afford that emergency since I planned ahead and had emergency savings."*)

Assessment

16. Distribute Handout 3.4.6: Assessment to students. Have students respond to the question, "One financial decision I would rethink from my own life after this activity is…". They must then explain why they would make that change. Students will also reflect on their character's emotions regarding their budget and describe one takeaway from today's activity (*See Answer Key 3.4 for detailed grading guidance.*)

Standards and Benchmarks

National Standards for Personal Financial Education

Standard 2: Spending

A budget is a plan for allocating a person's spendable income to necessary and desired goods and services. When there is sufficient money in their budget, people may decide to give money to others, save, or invest to achieve future goals. People can often improve their financial well-being by making well-informed spending decisions, which includes critical evaluation of price, quality, product information, and method of payment. Individual spending decisions may be influenced by financial constraints, personal preferences, unique needs, peers, and advertising.

Benchmarks: Grade 12

1. A budget helps people achieve their financial goals by allocating income to necessary and desired spending, saving, and philanthropy.
6. Housing decisions depend on individual preferences, circumstances, and costs, and can impact personal satisfaction and financial well-being.
9. Having an organized system for keeping track of spending, saving, and investing makes it easier to make financial decisions.

Handout 3.4.1: Character Cards (page 1 of 5)

<table>
<tr>
<td>
Family Size: Single, 1 child (3 years old).
Education Level: Bachelor's Degree
Occupation: Teacher
Yearly Gross Salary: $64,000
Monthly Net Pay: $3,850
Credit Score: 680
Food: Likes to eat out 1-2x/week
Retirement and Savings
Contributes to Emergency Fund
Putting 5% of monthly income into retirement
Entertainment
Loves to binge shows on Netflix
Other Financial Behaviors: Likes to travel
</td>
<td>
Family Size: Married, two children (10 & 4)
Education Level: No College
Occupation: Sales Representative
Household Yearly Gross Salary: $120,000
Household Monthly Net Pay: $7,400
Credit Score: 530
Food: Eat out 4x/week
Retirement and Savings
Contributes to Emergency Fund
Contributes 10% of monthly income into retirement account
Entertainment
Has multiple streaming platforms
Gamer, so needs high speed internet
Other Financial Behaviors: Likes to travel
</td>
</tr>
<tr>
<td>
Family Size: Married, three children (7, 9, & 15)
Education Level: Bachelor's Degree
Occupation: Software Developer
Household Yearly Gross Salary: $205,000
Household Monthly Net Pay: $11,200
Credit Score: 725
Food: Eat out 3x/week
Retirement and Savings
Contributes to Emergency Fund
Contributes 15% of monthly income into retirement
Entertainment
You love going to the movies.
You support local sports teams.
Other Financial Behaviors: Enjoy traveling for at least 3 weeks per year.
</td>
<td>
Family Size: Single, no children
Education Level: Graduate Degree
Occupation: CEO of a 2 year old startup
Yearly Gross Salary: $60,000
Monthly Net Pay: $3,700
Credit Score: 620
Food: Eat out 5x/week
Retirement and Savings
Contributes to Emergency Fund
No retirement fund right now; wants to start contributing 5% of monthly income
Entertainment
Avid music listener
Attends concerts frequently
Other Financial Behaviors: Want to retire by the age of 55
</td>
</tr>
</table>

Handout 3.4.1: Character Cards (page 2 of 5)

Family Size: Single **Occupation:** Marketing Associate **Education Level:** Bachelor's Degree **Yearly Gross Salary:** $44,000 **Monthly Net Pay:** $2,850 **Credit Score:** 680 **Food:** Eat out 4x/week **Retirement and Savings** • Contributes to Emergency Fund • Started contributing 5% of income in your retirement account this year **Entertainment** • Take an art class 1x/week **Other Financial Behaviors:** You like fashion and trendy clothing.	**Family Size:** Married, 1 child (18 months old) **Occupation:** Social Media Manager **Education Level:** Associate's Degree **Household Yearly Gross Salary:** $115,000 **Household Monthly Net Pay:** $6,600 **Credit Score:** 520 **Food:** Eat out 1-2x/week **Retirement and Savings** • Contributes to Emergency Fund • Contributes 10% of monthly income into retirement **Entertainment** • Go out with your friends about 2x/week **Other Financial Behaviors:** You always want the latest laptop, phone, headphones, etc.
Family Size: Single, no children **Occupation:** Nurse **Education Level:** Bachelor's Degree **Yearly Gross Salary:** $72,000 **Monthly Net Pay:** $4,175 **Credit Score:** 775 **Food:** Eat out 4x/week, including at the hospital cafe **Retirement and Savings** • Contributes to Emergency Fund • Started putting 5% of income towards retirement this year **Entertainment** • Enjoys concerts **Other Financial Behaviors:** Go on vacations- at least two per year; You have a huge sneaker collection.	**Family Size:** Married, two children (2 & 4) **Occupation:** Flight Attendant **Education Level:** Bachelor's Degree **Household Yearly Gross Salary:** $134,000 **Household Monthly Net Pay:** $8,250 **Credit Score:** 680 **Food:** Eat out 4-5x/week **Retirement and Savings** • Contributes to Emergency Fund • Contribute 5% of monthly income into retirement **Entertainment** • You have five different subscription services. **Other Financial Behaviors:** You like to support your local professional sport teams.

Handout 3.4.1: Character Cards (page 3 of 5)

Family Size: Single, no children
Occupation: Barista
Education Level: No Degree
Yearly Gross Salary: $42,000
Monthly Net Pay: $2,600
Credit Score: 640
Food: Eat out 1-2x/week
Retirement and Savings

- Contribute to Emergency Fund
- No retirement savings; want to start contributing 5% of monthly income to a retirement account.

Entertainment

- Go out with friends every week for dinner and a movie

Other Financial Behaviors: You spend your free time taking photographs; you frequently like to update your camera equipment.

Family Size: Single, 1 child (17 years old)
Education Level: Associate Degree
Occupation: Residential Property Manager
Yearly Gross Salary: $59,000
Monthly Net Pay: $3,600
Credit Score: 675
Food: Eat out 4x/week
Retirement and Savings

- Contributes to Emergency Fund
- Contribute 10% of income into your retirement account

Entertainment

- Part time musician in a jazz band; this requires upkeep of your instrument.

Other Financial Behaviors: Your child always wants the latest sneakers.

Family Size: Married, two children (10 & 4)
Education Level: Graduate Degree
Occupation: Data Analyst
Household Yearly Gross Salary: $140,000
Household Monthly Net Pay: $8,600
Credit Score: 715
Food: Eat out 3x/week
Retirement and Savings

- Contribute to Emergency Fund
- Contribute 7% of monthly income into retirement

Entertainment

- Love to take your children to the arcade on weekends.

Other Financial Behaviors: You love to shop.

Family Size: Married, 1 child (newborn)
Education Level: Graduate Degree
Occupation: Doctor
Household Yearly Gross Salary: $280,000
Household Monthly Net Pay: $16,500
Credit Score: 780
Food: Eat out 5-6x/week
Retirement and Savings

- Contribute to Emergency Fund
- Contribute 10% of monthly income into retirement.

Entertainment

- Multiple streaming services
- Part of a Book Club at the hospital and spend about $50/month on new books

Other Financial Behaviors: You love mountain biking and always have the newest model of your favorite bike.

Handout 3.4.1: Character Cards (page 4 of 5)

Family Size: Married, three children (2, 6, & 9) **Education Level:** Bachelor's Degree **Occupation:** Mechanical Engineer **Household Yearly Gross Salary:** $184,000 **Household Monthly Net Pay:** $9,900 **Credit Score:** 640 **Food:** Eat out 4-5x/week **Retirement and Savings** • Contribute to Emergency Fund • Contribute 8% of monthly income into retirement **Entertainment** • Go on monthly camping trips with your friends. **Other Financial Behaviors:** Spend money on your pet - food, insurance, dog sitter, etc.	**Family Size:** Married, two children (10 & 4) **Education Level:** Trade School **Occupation:** Electrician **Household Yearly Gross Salary:** $120,000 **Household Monthly Net Pay:** $7,300 **Credit Score:** 580 **Food:** Eat out 1-2x/week **Retirement and Savings** • Contribute to Emergency Fund • Contribute 5% of your monthly income into retirement. **Entertainment** • Avid reader and gamer **Other Financial Behaviors:** Purchase at least one new video game per month.
Family Size: Single, 1 child (8 years old) **Education Level:** Associate Degree **Occupation:** Construction Assistant Manager **Yearly Gross Salary:** $59,000 **Monthly Net Pay:** $3,700 **Credit Score:** 520 **Food:** Eat out 4-5x/week **Retirement and Savings** • Contribute to Emergency Fund • Only recently started putting money into a retirement account - about 5% of your income **Entertainment** • Netflix Premium Account • Spotify Premium **Other Financial Behaviors:** Take at least one vacation per year to go abroad and visit your family.	**Family Size:** Married, two children (2 & 4) **Education Level:** Bachelor's Degree **Occupation:** Graphic Designer **Household Yearly Gross Salary:** $110,000 **Household Monthly Net Pay:** $6,400 **Credit Score:** 610 **Food:** Eat out 1x/week. **Retirement and Savings** • Contribute to Emergency Fund • Contribute 10% of monthly income into your retirement account. **Entertainment** • Spotify Premium • You spend about $75 per month on crafting supplies **Other Financial Behaviors:** Donate at least 5% of your monthly income to local charities.

Handout 3.4.1: Character Cards (page 5 of 5)

<table>
<tr>
<td>
Family Size: Single, no children
Education Level: Associate Degree
Occupation: Physical Therapist Aide
Yearly Gross Salary: $45,000
Monthly Net Pay: $3,200
Credit Score: 700
Food: You cook every meal at home.
Retirement and Savings

Contributes to Emergency Fund
No retirement fund right now, but want to start contributing 5% of monthly income.

Entertainment

You are a huge professional sports fan.

Other Financial Behaviors:
You love exercising and have a membership at your local gym.
</td>
<td>
Family Size: Single, no children
Education Level: No college
Occupation: Line Cook
Yearly Gross Salary: $38,000
Monthly Net Pay: $2,800
Credit Score: 650
Food: Eat out 1x/week. Often get free staff meals when working
Retirement and Savings

Contribute to Emergency Fund
Contribute 5% of monthly income into retirement savings.

Entertainment

You love to go to the movies.

Other Financial Behaviors: You go on an annual trip with friends to a music festival.
</td>
</tr>
</table>

Handout 3.4.2: Budgeting Station Cards (page 1 of 13)

TRANSPORTATION

GETTING THERE

- Keep your family size in mind.
- If your credit score is under 600, **add $150**/month to car payments.
- **Add $325**/month for insurance, gas, and maintenance if you own a car.

Used 2-Door
$375/month

Public Transportation
$125/month

Minivan
$525/month

Luxury SUV
$975/month

Handout 3.4.2: Budgeting Station Cards (page 2 of 13)

HOUSING

HOME SWEET HOME

- Keep your family size in mind.
- If your credit score is under 600, **add $150** to the monthly price.

Live at Home With Family
$300/month

One Bedroom Apartment
$1,500/month

Two Bedroom Townhome
$1,800/month

Three Bedroom House
$2,100/month

Five Bedroom Luxury Home
$3,000/month

Handout 3.4.2: Budgeting Station Cards (page 3 of 13)

CABLE/INTERNET/CELL PHONE

STAYING CONNECTED

Cable/Internet	Description	Monthly Cost
Basic Internet Only	E-mail, homework, basic streaming	$50
Standard Internet	Multiple devices at once, gaming	$80
Cable + High Speed Internet	TV channels + fastest speeds	$150

- You must select one from each category.
- Add $30 per additional cell phone line.

Cell Phone	Description	Monthly Cost
Basic Plan	Limited Data	$40
Standard Plan	Unlimited Data, Free calls & texts	$75
Premium Plan	New phone yearly + unlimited data	$110

Handout 3.4.2: Budgeting Station Cards (page 4 of 13)

STREAMING SERVICES

PAY TO PLAY

TV/Movies	Description	Monthly Cost
No Streaming	Free TV, YouTube, etc.	$0
One Service	1 Streaming Platform (Netflix, Hulu, Disney+, etc.)	$20
Two Services	2 Streaming Platforms	$40
Bundle	3+ Platforms + premium features (No Ads, Multiple Screens, etc.)	$75

- These selections are optional.
- Make sure to make decisions as your character.

Music	Description	Monthly Cost
No Subscriptions	Radio, Platform w/ ads	$0
Individual Plan	Ad-free listening for one user	$12
Premium Plan	Offline downloads + higher quality	$15
Family/Multi-User Plan	Multiple users on one account	$25

Handout 3.4.2: Budgeting Station Cards (page 5 of 13)

CHILDCARE

TINY HUMANS, HUGE COSTS

- If you have children under 5, you must have daycare.
- Cost is per child, per month.

Family Care
$400/month

In-Home Daycare
$850/month

Large Daycare Center
$1,200/month

Nanny
$2,200/month

HEALTHCARE

HEALTH IS WEALTH

Healthcare Plan	Description	Monthly Cost
No Health Insurance	Doctor visits and prescriptions are full price.	$0
Basic Health Plan	Preventative visits included; moderate out-of-pocket costs	$150
Standard Health Plan	Low co-pays for visits and prescriptions	$300
Premium Health Plan	No co-pays; most medical costs covered	$450
Dental/Vision	Covers most expenses	Dental= $30 Vision= $20

- Choose one option.
- If you have children, add $75 per child to your plan.
- All costs are monthly.

DEBT

BORROW NOW, PAY LATER

Student Loan Debt	Monthly Cost
No College	$0
Associate Degree/Trade School	$150
Bachelor's Degree	$350
Graduate Degree	$550

- Student Loan debt is based on your education level.
- Credit Card debt is based on your credit score.

Credit Card Debt (Based on Credit Score)	Monthly Cost
750-850 (Excellent)	$0
700-749 (Good)	$100
650-699 (Fair)	$200
600-649 (Poor)	$300
Below 600 (Very Poor)	$450

GROCERIES

STOCKING THE PANTRY

- Your total grocery cost is the cost per month multiplied by your household size.

Option	Description	Cost (per person/month)
Bare Bones	Generic brands, strict list, no extras	$200
Smart Shopper	Mix of generic and name brand	$260
Comfort Picks	Name brands, snacks, extras	$320
Premium Pantry	Organic, specialty items, convenience	$400

Handout 3.4.2: Budgeting Station Cards (page 9 of 13)

DINING OUT

TREAT YOURSELF?

- Your total dining out cost is the cost per month multiplied by your household size.

Option	Description	Cost (per person/month)
No Dining Out	All meals at home	$0
Occasional Treats	Fast food/takeout 1-2x week	$125
Regular Nights Out	Restaurant Dining or takeout 3-4x week	$250
Foodie Lifestyle	Frequent Restaurants, coffee runs, delivery apps	$400

Handout 3.4.2: Budgeting Station Cards (page 10 of 13)

UTILITIES

KEEPING THE LIGHTS ON

- Your total utilities include electricity, water, trash, and recycling on a per month basis.

Housing Type	1-2 People	3-4 People	5+ People
Live at Home with Family	$50	$100	$150
Apartment	$120	$140	$160
Townhome	$165	$180	$225
Small Single Family Home	$180	$205	$240
Large Single Family Home	$215	$255	$280

Handout 3.4.2: Budgeting Station Cards (page 11 of 13)

ENTERTAINMENT
FUN FUND

- These selections are optional.
- Make sure to make decisions as your character.
- Costs are per person. If you are bringing a child or spouse, make sure you account for that.

Activity	Monthly Cost
Movies: Ticket + Popcorn & a drink	$25
Bowling: Two games + shoe rental	$20
Arcade: Games + snack	$30
Concert: Ticket + Parking	$90
Professional Sporting Event: Upper-level ticket + food	$75
Theme Park: Ticket + snack	$105

Handout 3.4.2: Budgeting Station Cards (page 12 of 13)

WANTS

EXTRA EXTRA

- Choose up to 3 items.
- Pay attention to your character's interests/likes.
- Prices listed are monthly averages.

Options (Choose up to 3)	Monthly Cost
New Clothes	$150
New shoes	$90
Video Game	$60
Gaming Subscription	$20
Gym Membership/Exercise Classes	$40
New tech/gadgets	$125
Your Choice!	If there are wants that your character has, research the cost and budget accordingly.

Handout 3.4.2: Budgeting Station Cards (page 13 of 13)

WANTS CONTD.

EXTRA EXTRA

- Optional.
- Pay attention to your character's interests/likes.
- Travel is typically something that people save up monthly for.

Travel Options	Description	Monthly Cost
Staycation	No travel	$0
Weekend Getaway	Road trip to a nearby city	$100
Domestic Vacation	Travel by plane somewhere in the United States	$250
International Trip	Trip outside of the U.S.	$350

Handout 3.4.3: Budgeting Worksheet (page 1 of 3)

Directions: You have been assigned a household scenario that represents your financial reality for this activity. Your goal is to create a monthly budget based on the income and circumstances you are given.

- Important Rules:
  - You may not change your job, income, or family size.
  - You must make realistic choices at each station.
  - Some expenses are required; others are optional.
  - All amounts are monthly.
  - Pay attention to the "Tip" section at each station.

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1) **Record your income** from your Character Card:

Income	
Annual Gross Wage	
Monthly Gross Wage (Annual Gross Wage ÷ 12)	
Net Monthly Wage	

2) **Pay Yourself First!** You must set aside money for an Emergency Fund and a Retirement Account. Refer to your Character Card to see what your saving preferences are.

Savings	
Emergency Fund	
Retirement	
Total Monthly Savings	

3) Subtract your **Total Monthly Savings from your Net Monthly Wage.** Record that amount below. That is what is left to spend for the month.

Monthly Money	

Handout 3.4.3: Budgeting Worksheet (page 2 of 3)

4) Rotate through each station. Evaluate your options for each category, record the amount it will cost you per month, and record which option you picked under the "Your Selection" column. At the end, total up the cost of your selections.

Fixed Expenses		
Item	**Amount**	**Your Selection**
Housing		
Transportation		
Cable/Internet		
Cell Phone		
Streaming Services		
Childcare		
Healthcare		
Debt		
Total Cost		

Variable Expenses		
Item	**Amount**	**Your Selection**
Groceries		
Dining Out		
Utilities		
Entertainment		
Wants		
Total Cost		

Handout 3.4.3: Budgeting Worksheet (page 3 of 3)

5) You may have the option of selecting **up to two Financial Curveball cards**. Record your outcomes from those cards below:

Financial Curveballs	
What Happened?	Amount
Financial Curveballs Total	

6) Total your monthly spending for the month, including your Financial Curveballs, by adding the total costs of your **Fixed Expenses** and **Variable Expenses**.

Monthly Spending	

7) **Calculate your Monthly Balance** by subtracting your total Monthly Spending (Step #6) from your Monthly Money (Step #3).

Monthly Balance	

- If you have a deficit (you spent more than you earned), you need to go back and adjust your budget.

Handout 3.4.4: Selection Sheet (page 1 of 2)

Directions: As you rotate through the various budgeting stations, record your choices on this worksheet. You can use this to complete your *Reality Check: Budgeting Google Sheet*.

Transportation	
Choice:	**Cost:**

Childcare	
Choice:	**Cost:**

Housing	
Choice:	**Cost:**

Healthcare	
Choice:	**Cost:**

Cable/Internet	
Choice:	**Cost:**

Debt	
Choice:	**Cost:**
Choice:	**Cost:**

Cell Phone	
Choice:	**Cost:**

Groceries	
Choice:	**Cost:**

Streaming Services	
Choice:	**Cost:**
Choice:	**Cost:**

Dining Out	
Choice:	**Cost:**

Handout 3.4.4: Selection Sheet (page 2 of 2)

Utilities	
Choice:	Cost:

Entertainment	
Choice:	Cost:
Choice:	Cost:
Choice:	Cost:
Choice:	Cost:
Choice:	Cost:
Choice:	Cost:
Choice:	Cost:

Wants	
Choice:	Cost:
Choice:	Cost:
Choice:	Cost:
Choice:	Cost:

Handout 3.4.5: Financial Curveballs (page 1 of 2)

Car Repair Your car needs unexpected repairs. Pay **$600**.	**Medical Bill** An unplanned doctor visit results in a **$250** bill.	**Home Maintenance** A plumbing issue requires repair. Pay **$400**.	**Pet Emergency** Emergency vet visit costs **$300**.
Utility Spike Extreme weather increases utilities this month. Pay **$75**.	**Parking Tickets** Multiple parking violations. **Pay $120**.	**Overtime Hours** You work extra hours this month. **+ $200 in income**.	**Reduced Hours** Your hours are cut at work. **– $250 in income**.
Missed Work Illness causes unpaid time off. **– $180 income**.	**Grocery Prices Increase:** Food costs rise. **Add $75** to your grocery bill.	**Tax Refund** You receive a refund. **+ $500** (you may save or spend).	**Work Bonus** Performance bonus earned. **+ $400**.
Flat Tire One bad pothole = new tires. Pay **$350**.	**Tech Trouble** Your laptop fails and needs repair or replacement. Pay **$300**.	**Childcare Gap** Your regular childcare provider is unavailable. Pay **$200** this month.	**Subscription Creep** Auto-renewed subscriptions you forgot about. Pay **$60**.
Helping Family A family member needs help. Contribute **$150**.	**Side Hustle Success** A short-term gig brings in **$350** extra income.	**Promotion Opportunity** Your performance earns a raise. Add **$150/month**.	**Energy Saver Win** Lower usage cuts your utilities bill by **$50** this month.

Handout 3.4.5: Financial Curveballs (page 2 of 2)

Carpool Crew Carpooling reduces transportation costs by **$60** this month.	**Gift Card Bonus** You receive gift cards for food or gas worth **$100**.	**Employer Benefit Upgrade** Your job covers a larger portion of health insurance. Save **$80**/month.	**Tax Time Win** You receive a tax refund of **$450.**
Found Money You sell unused items. Earn **$250.**	**Lost Wallet** Replace IDs and cards. Pay **$75**.	**Old Appliance Gives Out** Replace a major appliance. Pay **$450**.	**School Fundraiser Pressure** Contribute **$60** to support your child's school.
Missed Appointment Fee Late cancellation fee. Pay **$40**.	**Bulk Buy Success** Planning ahead lowers grocery costs by **$80** this month.	**Good Credit Reward** Lower interest saves **$60** this month.	**Cash Back Reward** Credit card rewards earn you **$90**.
Insurance Refund Overpayment refunded. Receive **$120.**	**Free Entertainment Win** You score free tickets. Save **$90.**	**Employer Reimbursement** Get reimbursed for work expenses. Receive **$180.**	**Seasonal Allergy Costs** Medications and doctor visits cost **$120.**

Handout 3.4.6: Assessment

1. One financial decision I would rethink from my own life after this activity is…

2. I would change this because…

3. Based on my remaining monthly balance, my character's stress level (1-10) is ___ because…

4. One thing about budgeting that I am taking away from this lesson that I will apply to my own life is…