STAY OUT OF THE RED:
A Game of Budgeting and Financial Savvy

This 12-week family budgeting game will get your students thinking about life—mainly how expensive it is, and all the things they will be expected to pay for that they might not have considered. It will not only help them better understand personal finances, but also learn to work with others and compromise to determine how household money is spent. Students will use the internet to do research to find options and costs for their proposed budgets to make the experience as real as possible.

Start by splitting the class into teams of three or four. Each team will be responsible for their own budget and financial decisions. Choose a day of the week that you want to play the game. This day will represent the first of the month, when students get their paychecks and when all of their bills and expenses must be paid. On each pay day, teams will also be given a task to complete. But before they are assigned a new task, each team will present their solution for last “month’s” task. In addition to a task, teams will also draw a That’s Life card. These cards present things that happen in real life—the seemingly never ending unexpected expenses and, every once in awhile, the unexpected influx of money.

At the end of the 12-week game, you’ll add up each team’s weekly task score and evaluate how well they’ve done on their spreadsheet. We recommend that 75% of their game score be based on the tasks and the other 25% on the actual budget. This way, scoring is weighted to reflect the work and consideration that goes into each week’s task, and less based on the rough numbers (since some of those expenses are beyond their control). This should also dissuade students from simply picking the cheapest options and encourage them instead to evaluate all the factors that go into making these various fiscal decisions. As they say, it’s the thought that counts. And since it’s your class, it’s up to you what the winning team gets for their prize—of course we think Start Here, Go Places. t-shirts are a pretty awesome reward. So feel free to request some for your winning team by emailing us at startheregoplaces@aicpa.org. Good luck!

BONUS:
Plus, if you have any students acting up, not following the rules or not paying attention, feel free to ask them to draw a That’s Life card. After all, unexpected expenses can happen at any time!
WEEKLY BUDGETING TASKS

WEEK 1: Get a job & find a place to live
Each team represents a four-person family living in North Carolina (including a spouse and two kids) and begins the game with $10,000 in savings. Their primary salary comes from one spouse’s career as a CPA earning $65,000 (which translates to an annual take-home pay of $38,090, after taxes, Medicare, Social Security, etc.). Their company offers a generous 50% match on its 401(k) program, up to 8%. However, since it’s a small company, insurance must be purchased separately so they offer an extra $200 per month (untaxed) to help offset this expense. The secondary (spouse’s) salary is $34,000 (an annual take-home pay of $19,924) and their company does not offer a 401(k) plan or insurance assistance.

Now that they have a monthly household income as a starting place for their budget, students should research options for housing on the internet, using the school as their “work” location. They will decide within their group whether they should rent an apartment, multi-family home or single-family home. They should consider all the factors that will affect their budget to make this decision, including things like how close to work they should live (farther away might be cheaper, but will increase their gas costs), if any other expenses (such as water) are included, what the amenities are and so on.

WEEK 2: Getting around
Now that they’ve got a place to live, teams will have to figure out their transportation situation. What kind of car will they get? Will it be new or used? How much will they put down and how much can they afford to pay each month? How much will the insurance be? And, considering what kind of gas mileage their car gets, how much will they need to plan to spend on gas every month?

WEEK 3: Other fixed expenses
This week the teams must figure out the rest of their fixed expenses. First and foremost: a health insurance plan for the family. How much is their (apartment-required) renter’s insurance? What about their cell phone plan? Or internet and cable? They can research all of these things online, and can even call a representative with any questions they might have (or to figure out if there are any additional fees or charges to consider that would be added to their bills).

WEEK 4: Setting a budget
Based on their salary and fixed costs for housing and transportation, have your students create a budget spreadsheet so they can track their expenses. Here’s an example of the categories and line items that should be considered for each group’s spreadsheet (Some of these costs will be fixed, while others will fluctuate every month). Of course the things they may come up with or how they will organize each of these expenses may vary.

- Housing:
  Rent/Mortgage, Renter’s/Homeowner’s insurance, Maintenance, Furniture/Supplies

- Utilities:
  Energy bill, Water bill, Cell phone, Cable/Internet

- Food:
  Groceries, Restaurants, Coffee Shops, Convenience Store, Etc.

- Transportation:
  Car payment, Insurance, Gas, Maintenance

- Personal:
  Clothing, Personal Grooming/Maintenance (haircuts, etc.), Cleaning Supplies, Etc.

- Savings:
  General savings account, 401K, Other investments

- Health/Wellness:
  Health insurance, Doctors’ visits, Prescriptions, Gym, Etc.

- Entertainment/Fun Money:
  Netflix/Hulu, Bowling, Hobbies, etc...

- Emergency fund for unexpected expenses
WEEK 5: Child care
This week it’s time to find the best option for who will take care of each group’s toddler when they are at work. Will their child go to traditional day care, an in-home day care or have a nanny? Teams must research options and decide with whom they can trust their child, how much it will cost and how they’ll fit it into the budget.

WEEK 6: Unexpected expenses
This week, the washing machine goes out. After calling a repairman out (which costs them $89), they find out it cannot be repaired. It’s time to purchase a new one. Have your students research their options, considering all the factors (such as cost, energy efficiency rating, delivery and installation fees, etc.). Will they buy it outright or get a payment plan? Can they take advantage of any sales or other deals?

WEEK 7: Credit card
Part of building up credit means having a credit card. But being responsible about which credit card and how it’s used is crucial. Have your students research several different credit cards and decide on the best option, considering that they have a current credit score of 695. They’ll also need to present a list of five factoids and tips that everyone should know about credit cards and how to use them.

WEEK 8: Vacation
It’s time to take a vacation! Have your students plan a week-long trip for the entire family. They’ll have to decide on the fun stuff, like where they’re going and what they’re going to do once they get there. And the not-so-fun stuff, like how to pay for it. Each team will need to budget for all the expenses they’ll incur, such as: accommodations, transportation, food, activities, spending money (for things like souvenirs and snacks), etc.

WEEK 9: Medical issues
The teams have to deal with some medical issues this month. They broke a leg playing basketball with friends. The break required a visit to the emergency room, where they x-rayed it and put it in a cast. They’ll need crutches to get around and have two prescriptions to fill for the pain (one comes in generic form, the other does not). It also requires three subsequent visits to a specialist and six sessions of physical therapy, once the cast comes off. Have each team do their best to figure out how much all of this will cost based on their chosen insurance plan and figure out how they will pay for it.

WEEK 10: Car trouble
The head gasket needs to be replaced on each team’s car. That means they’ll need to find a trusted mechanic to fix it—one who can give them a reasonable price. How much will it cost to fix? How will they get around while their car is in the shop and what does that mean for their budget? How will they manage to pay for the repairs and other associated costs?

WEEK 11: Birthday Party
This month your students will be celebrating their kid’s 4th birthday with a big party for all of their little friends. Have the teams research and plan a party for 15 kids, including everything from the invitations and venue to the food (don’t forget the cake!), decorations, gift and party favors. But there’s a catch: the expenses cannot be put on their credit card and they cannot take money out of savings to cover it. They must find a way to pay for all of it using money from this month’s paycheck.

WEEK 12: Year in Review
An important factor in any budget is evaluation. Use this last week as an opportunity for the teams to look back on how they managed their money and report back. Do they think they did well or not? Where could they have done better? What adjustments would they make to their budget moving forward? And so on. Each member of the team will also be responsible for sharing their biggest takeaway from this experience.
Your great aunt Sylvia, a retired teacher, recently passed away. Two weeks later you get a call from an attorney saying she's left you her entire estate. After her final expenses, debts and taxes are paid off, Sylvia ends up leaving you $11,327.

You had a bad experience the last time you ate at your neighborhood fast-casual Mexican chain. The beans were undercooked, the service was bad and they skimped on the guac (that they charged you $1.95 for!). So you emailed corporate to complain, politely of course. One of their customer service reps writes you back to apologize for your sub-par experience and sends you a coupon worth $25 for your next visit. Add $25 to this month's dining out/food budget.

After attending a grand opening event for a new neighborhood development with one of your house-hunting friends you drop a business card in the big raffle jar. Two weeks later you get a call saying you won a $200 gift card to your favorite online destination for anything and everything. Add the $200 to your shopping budget for the month.

The insurance company you had last year has this thing where they reimburse you for a small portion of your premiums at the end of the year if they didn't have to pay out as many claims as they were expecting. This was one of those years. There's an extra $106 for your pocket.

It's time for the annual purge—of all your extra stuff, that is. Your community hosts a neighborhood-wide yard sale and you decide to go for it. You drag everything from old CDs and board games to lamps, clothing and even some small furniture. It's a pain but it's over by 2 p.m. and you walk away with $480 and a little less junk on your hands.

Your grandma is the best. Every year for your birthday she sends you two crisp fifty dollar bills taped to the inside of a greeting card. This year's no different. Add $100 to this month's budget. Ch-ching!

After being accosted in the mall by a marketing researcher, you agree to participate in a focus group to evaluate the tastiness of a new soda and the effectiveness of its proposed advertising campaign. The experience costs you three hours of your Saturday but pays $100.

Your company just wrapped up a very good fiscal year, which means you'll be getting a bonus. Add a one-time cash influx of 10% of your salary (minus applicable taxes) to your account.

On your last visit back home to your parent's house, you went with your dad to help him pick out a new gas grill. The one he landed on had a $50 mail-in rebate offer. He said if you could keep it, if you did the paperwork, since he wasn't going to fool with it anyway. Besides, your research was what helped him choose the grill.

Your next door neighbor is taking a trip to France. You offer to take care of her cat and water her plants while she's gone. When she returns (wearing a red beret) she hands you $50 for your house-sitting efforts. You refuse it because it really wasn't any trouble but she insists you keep it.
When checking your mail you notice a greeting card sticking out of a stack otherwise filled with bills and junk mail. After trashing the junk mail and putting the bills on your desk for later you rip open the card. It’s a nice note from an old friend you hadn’t even thought about in years along with a $100 bill to pay you back for something you don’t even remember—but they obviously did.

Your dermatologist recommends you for a clinical trial of a new prescription cream for itchy skin. The risk seems pretty low since it’s in the final phase and your doctor thinks this promising new drug might be just the thing for you, so you sign up. The drug actually brings you some relief and participating in the study brings you $500.

Antiques have never really been your thing, but your spouse inherited an early century solid oak hutch several years ago when their grandmother died. You both agree it’s never looked right in your home and decide you can use the money more than the eye sore in your living room. So you post pictures online and get five offers within a couple of days. You take the best one and score $1,250.

While helping your mom clean out and organize her filing cabinet, you stumble upon some old stocks your grandfather left you. They’ve appreciated in value since he bought the 40 shares for $9 a piece in 2000. But after doing some research you decide it’s time to cash them out. They’re current value is $47 per share. Calculate your earnings and decide where to put them.

Every year your office has a brackets pool during March Madness. In fact, it’s kind of a big deal—everyone in the office participates, even the people who don’t generally follow basketball or even like sports. This year your picks are on point, so you get to take home the $380 pot. Score!
Your kid got a black eye from the class bully. You reach out to the bully’s parents to talk about it. They offer to meet to discuss the matter at a restaurant you’ve never been to before. You’re so worked up about the situation, you order what his mother is having without looking at the menu. You gasp when you see the $57 bill, especially since that doesn’t even include the tip. Deduct that, and the $25 co-pay from taking your kid to the doctor from this month’s income.

Work has been complete chaos for the last two months. You’ve hardly had any time to spend with your family and you’re feeling pretty burned out. Now that things are settling down a bit on the work front you decide to take a Friday off so you and your family can take an extended weekend road trip. All in (gas, hotel, food, activities, etc.) costs you $497. But man, was it worth it.

Your cat has developed a weird lump under the skin near her shoulder blade. During the $110 vet visit, the doctor tells you the growth should be removed. After studying the lump it’s found to be cancerous. Good thing you opted for the surgery, even though it cost you $1,245.

Your kid injured their hip at dance practice, after seeing your primary care doctor (with a $25 co-pay), he refers you to a specialist (with a $50 co-pay). When your kid still has no relief you decide to try acupuncture, but it isn’t covered by insurance and it costs $90 per visit. Thankfully it only takes four visits to get them feeling better and back on the court. Deduct all six hip-related expenses from this month’s medical budget.

You promised your kid you’d get them a smart phone for their 10th birthday. The big day has finally arrived. The plus side is that you’ll finally stop being nagged about it, but the downside is the expenses you’ll have to swallow. The phone costs $200, with a year-long contract, which adds $45 per month to your family’s cell phone bill.

You just received a letter from your health insurance company letting you know that the cost of coverage for your plan is going up. Add $48 more per month to your health care budget to cover the increase.

The funky smell in your kitchen keeps getting stronger so you decide to go ahead and take the trash out. When you step outside the door slams shut behind you locking you out of the house. No one else is home and your spouse is out of town. But thankfully you’ve got your cell phone in your pocket, so you call a locksmith. You only have to stand outside in your slippers and robe for 45 minutes, but the house call costs you $110.

You accidentally backed into the neighbor kid’s motorized toy car—one of those fancy ones that’s almost as nice as the real thing. It’s completely totaled. Thankfully he wasn’t in it at the time. To salvage the relationship with your neighbors (and stop the neighbor kid from screaming bloody murder), you spend $389 to replace it.

Your spouse’s family has a reunion every other year. Next year’s event will be in Canada, but you don’t have a passport. You decide to go ahead and get one so you’re not scrambling at the last minute. It costs $15 for the picture to go in your passport and $110 for the passport book itself. But, hey, at least you didn’t wait too late have to pay the expedited fee.

Last month was unseasonably hot. Like there’s-no-way-global-warming-doesn’t-exist kind of hot. Just when you think you couldn’t get any hotter your energy bill arrives. You shoot through the roof when you see it’s three times the usual amount. Multiple your utility budget by three to cover this energy bill.
Your best friend is getting married out of state and has asked you to be in the wedding party. That means you'll have to not only cover the cost of the ensemble you'll be wearing (which totals $215) and a $100 wedding gift (this is your BFF, after all) but also pay for two nights in the hotel they blocked ($149 per night, not including the 17% room tax), the airfare for both you and your spouse (at $326 per flight) and the meals the two of you will be eating outside of the wedding dinner (three meals averaging $17 per person). Congratulations!

When you step in the front door on your way home from work you notice an envelope from your apartment complex on the floor. You open it hoping it's about the pool renovation being complete but find it's a notice about your rent. It's going up $75 month, starting this month. Adjust your rent to accommodate the increase moving forward.

After hearing about it again and again from you and your spouse's parents, you finally decided to send out a family holiday card. You find a pretty good photographer who agrees to charge you $250 for the session. Then you spend $163 online for 50 holiday cards with your family portrait on them. Oh, and don't forget to add in the cost of postage to send all of them!

You forgot to buy coffee the last time you went to the grocery store, and as a result you've been stopping at a coffee shop on your way into work every morning for the past two weeks. Turns out those $4.78 half-caff mocha soy lattés really add up. Good thing you only tip ($1) every other morning. Do the math and deduct how much you've spent from your budget.

You just found out your kid needs braces. After picking your own jaw off of the floor after the orthodontist tells you it's going to cost $4,735, you ask about a payment plan. The person at the front desk says you can break it into 24 equal monthly payments. Do the math and add the line item to your monthly expenses.

Your dad is being given a lifetime achievement award at the company he's worked at for over 30 years and you promised him you'd attend. It's a black tie event but you don't have any black tie attire (none that still fits). So you spend an entire Sunday combing the mall and spend $174 building your outfit, even though you shopped the sales.

Last month your kid hurt their pinky finger so you took them to their primary care doctor to have a look. The x-ray revealed it was just a bad sprain, so at least it's not broken. But, the doctor's office sends you a bill for the x-ray, which wasn't completely covered by insurance. Go ahead and pay the $57 that wasn't covered.

It's finally summer and you're having some friends over for a cookout. The only problem is your balcony and front door could use some love. So you head to your local nursery to get some plants, a couple of hanging baskets, some flower pots and a bag of soil to make your home look more homey. It looks great. And it cost you $143, so it better.

So you've dropped your cell phone at least a hundred times and it's always been fine. But of course this time the screen completely shattered and the rest of the phone has so much damage that you can't just get the screen replaced. Looks like you've got to bite the bullet and get a new one. That's $200 you weren't planning on spending for the month. Ouch!

Your good friends just bought a house and have invited you and your spouse to their housewarming. You can't show up empty handed, so you buy them a gift from your local kitchen store—they love to cook! While you're not quite sure what it's used for, you're sure you weren't anticipating spending $38 on a gift this month.
You're legendary when it comes to forgetting important dates. But this year you programmed your phone to remind you the week before your anniversary. You make reservations at your spouse's favorite restaurant. And when you go, you go big: apps, entrees and dessert. The check comes and it's $137.66—before tip. Add a 20% tip and deduct the total from your budget.

On the way home from an outing at the park, your toddler throws up a bunch of milk in the back seat of your car, and of course it went everywhere. You try to clean it yourself but even after working through your own gagging the smell remains. It demands a professional. You fork over $125 for an interior detail service, plus an additional $20 for them to Scotch Guard against future issues.

After enduring a throbbing pain in your jaw for nearly a month you finally get around to making an appointment for the dentist. Looks like you need a root canal, which is going to set you back $1,100* and the $25 for the prescription pain meds. *If the insurance plan you selected has dental coverage reduce your cost to $650.

You promised your kid you'd get them a gerbil if they got straight As all semester. And they did. So now you've got to follow through. The gerbil itself is only $7.99, but the cage, bedding, water bottle and the wheel cost you $78.33. But don't forget to factor in the $4.95 and $15.03 a month you'll continue to spend keeping Jelly Bean fed and comfy.

You signed up for a free trial at a new gym near your home, which had you really pumped about getting fit for the first couple of weeks but fell off quickly after that. Unfortunately you forgot to cancel it in time and the automatic renewal kicked in, so had to pay this month's membership. You call to cancel, so it doesn't happen again next month, but this month's damage is already done. They took $80 out of your account. (And now you're feeling the burn.)

Your kid wants to play the trumpet and promises you they'll stick with it. All you have to do is rent one. That requires you pay a $100 deposit (that's refundable at the end of the rental period) and $20 per month, plus $5 per month for insurance, in case your kid damages or loses it. (And with your kid, it would—and will—probably be the latter.)

The coffee table has been on its last leg for months, wobbling at the slightest touch. So much so that you're to the point that you don't even trust it enough to rest a drink on it. Good thing, too because your kid kicks a basketball into the table and the leg buckles underneath it. This time you opt for a super-sturdy coffee table—for $239.44.

While you're driving down the highway jamming out to your favorite new song a rock from the dump truck in front of you flies out and slams into your windshield. In addition to scaring the day-lights out of you, it cracks your windshield. You try to live with it but the crack keeps getting bigger so you have to get it replaced. It winds up setting you back $214.71.
Your kid got a leading role in this year’s school play, which means they’ll be needing a papier-mâché corn costume to really sell it. It’s your responsibility to design and construct this thing. Too bad your kid didn’t get their artistic abilities from you. The materials add up to $53.26, and the finished product looks more like a banana, but hey, you did your best.

The alarm goes off bright and early on Monday morning and in your snooze-seeking daze you accidentally knock your glasses onto the floor. When you finally throw back the covers and drag yourself out of bed you cringe as soon as you hear a loud crunch when your feet hit the floor. Your eyewear is totaled and need to be replaced. Another $274.37 gone.

After four solid years of heavy use, your microwave bites the dust. You do your research online and find a good deal on a good brand at your neighborhood appliance store. It only puts you out $89.98 and you’ve got it out of the box and ready to go before dinner that night.

You notice the front tire on the driver’s side of your car looks low so you stop off at a gas station on the way home to put more air in it. The next morning when you head out for work you notice it’s completely flat. Turns out you’ve got a nail stuck in your tire and it can’t be patched. You need a new tire. You fork over $143.17 to get it.

When you get home from the gym you realize you left your hoodie and water bottle in a cubby at the back of the spinning room. You call to see if anyone has put them in the lost and found, but no such luck. So now you’ve gotta get a new hoodie ($69.21) and a new water bottle ($12.47).

A new school year, a new interest for your kid. This time around it’s soccer. And the cost of the cleats, the shin guards and the balls is really adding up. Deduct $237 from this month’s budget to cover the costs.

The good news is your best friend and their family are coming to visit next weekend. The bad news is you haven’t had a guest room since the toddler was born. Their kids can crash on the couch or in your kids’ room, but the adults will need an air mattress. You find one online for $63.42.

You get an invitation in the mail for a couple’s baby shower. It’s from a friend who came to your baby shower so you’re obligated to attend. You pop over to the store and find something off of their registry for $27.88 on your way to the event.

You sleep hot and your spouse can’t sleep without white noise. So you decide to kill two birds with one stone and get a ceiling fan from the big box store. It turns out to be a bigger pain to install than you thought, but it’s all worth the $161.90 when you get in bed that night and are both completely zonked out in five minutes flat.

Your kid spilled a full glass of chocolate milk all over the rug. Normally you’d just have it steam cleaned, but this particular 8x10 rug is in pretty bad shape and isn’t worth the cost it would take to have it cleaned. So you start the search to find one that you and your spouse can agree on and find it on sale for only $388.54.
Your kid’s best friend invites the two of you to the trampoline park. It’s a rainy Saturday and your kid has never been so you agree to go. The two of you jump for nearly two hours straight and have a blast, making it well worth the $47.44 you spent to go.

You want to take a continued education course to help prepare you for the next move you want to make in your career. The class meets in the evenings three days a week for four months and costs $1,295. You can either pay it in one lump sum or split it into equal monthly payments over the duration of the course. It’s a pricey course, but could help you earn more in the long run.

One of your friends from college is visiting for the weekend while your spouse and kids are out of town. The two of you have been planning on doing some serious binging on a new video game. The new one you both want is dropping the day before their visit, so you pick it up on the way home. It costs $64.80, but at least you know your friend will cover the cost of the energy drinks and pizza delivery.

You’re downtown taking care of some paperwork when you realize you’ve gone over the time limit on your parking meter. By the time you get to your car it’s too late. You see the bright yellow envelope resting under your wiper blade as soon as you see your car. Despite the fact that it’s only been five minutes expired, you must pay the $20 fine.

Every time you get your energy bill you notice there’s an ad about how much you’ll save on energy costs when you switch out your old incandescents to LED bulbs. The ones in your living room are starting to burn out, so you decide to go ahead and replace all eight of them. They cost $99.46, but you shouldn’t have to replace them again for another 15 years, so that will be nice.