

Names: _____

The [simulated] Game of Life



It's time to keep it real – sort of. What will happen once you leave the safe confines of your school and venture into the Game of Life? Rather than dancing in musicals and playing basketball nine hours a day, you'll have to go out and get a real job (yuck!) and pay bills (ugh). Oh, the humanity! While it is impossible to give you a completely accurate Game of Life experience that includes all life's little intricacies, this project intends to push your financial literacy skills and develop decision making skills that will be with you -- forever and ever and ever and ever.

To get started you will...

- 1) **Select a Job or Career.** You will fill-in the job or career onto the *Info Sheet* along some other important information you will need for this project: an annual salary, an income tax rate, an amount of debt and your total savings.

With this information you will...

- 2) **Consolidate your Debt.** You will choose a single loan to pay it back. Be careful what you pick because you don't want to have a monthly payment you can't afford or you don't want to pay too much interest if you don't need to.

Once you have your loan's monthly payment information you will...

- 3) **Budget.** You will calculate your Net Monthly Income and Create a Budget for your spending.

With your budget set, it is time to make...

- 4) **Choices!** You will select a plan for housing, utilities, phone, food, transportation, savings and extras. Be sure not to spend too much money.

Once you are done with these tasks, you will put your choices to the test. You will complete a SIMULATED YEAR. At the end of each year, you will be given a series of updates regarding your employment, family changes and any unforeseen obstacles! And then you'll need to rethink your finances all over again.

Can you survive the [simulated] Game of Life?

The [simulated] Game of Life Info Sheet



Name	
Occupation	
Annual Salary	
Tax Rate	
Debt	
in Savings	

Budget



Use this form to calculate your Net Monthly Income and create your budget. When you have completed your budget, sketch a pie chart for your spending. A couple rules of thumb: most financial advisors suggest not spending more than 1/3 of your budget on housing and to save at least 1/10 of your money.

Annual Salary: \$	Tax Rate:																					
Amount of Taxes: \$																						
Net Annual Income: \$	Net Monthly Income: \$																					
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><i>Projected Monthly Budget</i></p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="padding: 5px;">Category</th> <th style="padding: 5px;">Percent of Budget (must add to 100%)</th> <th style="padding: 5px;">Total</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Housing</td> <td style="padding: 5px;"></td> <td style="padding: 5px;"></td> </tr> <tr> <td style="padding: 5px;">Groceries</td> <td style="padding: 5px;"></td> <td style="padding: 5px;"></td> </tr> <tr> <td style="padding: 5px;">Transportation</td> <td style="padding: 5px;"></td> <td style="padding: 5px;"></td> </tr> <tr> <td style="padding: 5px;">Debt - Loan Monthly Payment <small>(from previous assignment)</small></td> <td style="padding: 5px;"></td> <td style="padding: 5px;"></td> </tr> <tr> <td style="padding: 5px;">Savings</td> <td style="padding: 5px;"></td> <td style="padding: 5px;"></td> </tr> <tr> <td style="padding: 5px;">Extras <small>(phones, clothes, Internet cable, etc.)</small></td> <td style="padding: 5px;"></td> <td style="padding: 5px;"></td> </tr> </tbody> </table> </div> <div style="text-align: center;"> <p><i>Pie Chart</i></p> </div> </div>		Category	Percent of Budget (must add to 100%)	Total	Housing			Groceries			Transportation			Debt - Loan Monthly Payment <small>(from previous assignment)</small>			Savings			Extras <small>(phones, clothes, Internet cable, etc.)</small>		
Category	Percent of Budget (must add to 100%)	Total																				
Housing																						
Groceries																						
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Savings																						
Extras <small>(phones, clothes, Internet cable, etc.)</small>																						

1. How did you determine your budget? Did you need to make any special considerations?

2. After housing, what is your most significant part of your budget? Why did you make that choice?

Consolidate Your Debt



School loans and credit cards collide in one massive debt consolidation. To simplify your debt before you venture too far into the real world you will **choose one** of the loan options below. Calculate the monthly payments of each loan and its long term cost.

To do this you will need to use the equation: $P = \frac{Cr(1+r)^N}{(1+r)^N - 1}$ where...

P = monthly payment, C = loan amount, N = the number of months and
 r = monthly interest rate (a 7.5% annual rate would be converted to a decimal and divided by 12; $.075/12$ so 0.00625)

Amount of Debt (Loan Amount):			Choose
Huffington Bank	Huffington Bank Loan Offer 3.5% for 60 months		<input type="checkbox"/>
	Loan Amount (c)		
	Annual Interest Rate	3.5%	
	Monthly Interest Rate (r)		
	Number of Months (n)	60	
	Monthly Payments (P) will be...		
		Long Term Cost	
		Number of Months (n)	
		Monthly Payments (P)	
		Total Cost (nP)	
		Interest (nP - c)	
Sixth Third Bank	Sixth Third Bank Loan Offer 3.75% for 96 months		<input type="checkbox"/>
	Loan Amount (c)		
	Annual Interest Rate	3.75%	
	Monthly Interest Rate (r)		
	Number of Months (n)	96	
	Monthly Payments (P) will be...		
		Long Term Cost	
		Number of Months (n)	
		Monthly Payments (P)	
		Total Cost (nP)	
		Interest (nP - c)	
Capital Two Bank	Capital Two Bank Loan Offer 4.25% for 120 months		<input type="checkbox"/>
	Loan Amount (c)		
	Annual Interest Rate	4.25%	
	Monthly Interest Rate (r)		
	Number of Months (n)	120	
	Monthly Payments (P) will be...		
		Long Term Cost	
		Number of Months (n)	
		Monthly Payments (P)	
		Total Cost (nP)	
		Interest (nP - c)	

Year 1: Monthly Spending Plan



Use this form to compute your actual monthly expenses and use it to compare it to your projected budget.

Net Monthly Income: \$

Category	Actual	Projected	Difference
Housing			
Groceries			
Transportation			
Debt - Loan Monthly Payment			
Savings			
Extras (phones, clothes, charity internet, cable, etc.)			
Totals			

Annual Savings Calculator

Year 1: Annual Savings (Savings • 12)	
Amount in Savings Previously	+
Total Estimated Savings	

1. How well are you adhering to your budget? Are you able to keep up with your bills?

Year 2



Using your updates, recompute your finances, reorganize your budget, reconsider your choices and reflect on your decisions. In other words, adjust for family size and changes in income.

Major Updates Single Married New Kid(s)

	End of Previous Year	Changes Due to Update (+/-)	Year 2 Amount
Gross Annual Income			
Family Size			
In Savings			
In Debt <small>(negative savings becomes debt)</small>			

Year 2 Budget

Year 2 Annual Income: \$	Tax Rate:	
Amount of Taxes: \$		
Net Annual Income: \$	Net Monthly Income: \$	
Projected Monthly Budget		
Category	Percent of Budget <small>(must add to 100%)</small>	Total
Housing		
Groceries		
Transportation		
Debt - Loan Monthly Payment		
Savings		
Childcare		
Extras <small>(phones, utilities, internet, etc.)</small>		



Year 2 Choices

Category	Actual	Projected	Difference
Housing			
Groceries			
Transportation			
Debt - Loan Monthly Payment			
Savings			
Childcare			
Extras (phones, clothes, charity, internet, cable, etc.)			
Totals			

Annual Savings Calculator

Year 2: Annual Savings (Savings • 12)	
Amount in Savings Previously	+
Total Estimated Savings	

1. How well do you believe your budget allowed you to reach your financial goals?
2. How did the update affect your finances? How did it affect your savings?
3. Did you significantly change any parts of your budget? Explain.

Year 3




Using your updates, recompute your finances, reorganize your budget, reconsider your choices and reflect on your decisions. In other words, adjust for family size and changes in income.

Major Updates Single Married New Kid(s)

	End of Previous Year	Changes Due to Update (+/-)	Year 3 Amount
Gross Annual Income			
Family Size			
In Savings			
In Debt <small>(negative savings becomes debt)</small>			

Year 3 Budget

 Annual Income: \$	Tax Rate:	
Amount of Taxes: \$		
Net Annual Income: \$	Net Monthly Income: \$	
<i>Projected Monthly Budget</i>		
Category	Percent of Budget <small>(must add to 100%)</small>	Total
Housing		
Groceries		
Transportation		
Debt - Loan Monthly Payment		
Savings		
Childcare		
Extras <small>(phone, clothes, internet, debt, etc.)</small>		

Year 3 Choices

Category	Actual	Projected	Difference
Housing			
Groceries			
Transportation			
Debt - Loan Monthly Payment			
Savings			
Childcare			
Extras (phones, clothes, charity, internet, cable, etc.)			
Totals			

Annual Savings Calculator

Year 3: Annual Savings (Savings • 12)	
Amount in Savings Previously	+
Total Estimated Savings	

1. How well do you believe your budget allowed you to reach your financial goals?
2. How did the update affect your finances? How did it affect your savings?
3. Did you significantly change any parts of your budget? Explain.

Choices!



It's time to make lots of life altering decisions! Use your budget as a guide to help select from the options below. Be sure not to spend more money than you have and take into account your family size! Add your expenses to the *Year 1: Spending Plan*.



Housing, Insurance & Utilities

Choose



\$ 600	Renting a studio apartment <u>with a roommate</u>	<input type="checkbox"/>
\$ 900	Renting a two bedroom apartment	<input type="checkbox"/>
\$ 1000	Purchasing a \$ 100,000 home in a nice community close to a park	<input type="checkbox"/>
\$ 1350	Purchasing a \$ 175,000 suburban home near the local mall.	<input type="checkbox"/>
\$ 1800	Purchasing a \$ 250,000 in a private community near a golf course	<input type="checkbox"/>

Groceries



	Low-Cost	Choose <input checked="" type="checkbox"/>	Moderate-Cost	Choose <input checked="" type="checkbox"/>
Male	\$ 237	<input type="checkbox"/>	\$ 297	<input type="checkbox"/>
Female	\$ 206	<input type="checkbox"/>	\$ 254	<input type="checkbox"/>
Family of 2 (w/ 2 adults)*	\$ 488	<input type="checkbox"/>	\$ 605	<input type="checkbox"/>
Family of 3 (w/ 2 adults)	\$ 597	<input type="checkbox"/>	\$ 739	<input type="checkbox"/>
Family of 4 (w/ 2 adults)	\$ 706	<input type="checkbox"/>	\$ 873	<input type="checkbox"/>
Family of 5 (w/ 2 adults)	\$ 815	<input type="checkbox"/>	\$ 1007	<input type="checkbox"/>
Family of 6 (w/ 2 adults)	\$ 924	<input type="checkbox"/>	\$ 1141	<input type="checkbox"/>


Source: USDA: Center for Nutrition Policy and Promotion

*statistics show a cost increase of groceries for two adults above what they'd spend separately

Transportation & Insurance



Price	Financing Option	New / Used	Description	Choose <input checked="" type="checkbox"/>
\$6,000	\$234 / 36 months	Used	8 year old car. Nissan Altima. Seats 5. 120,000 miles. Reliable. One Owner.	<input type="checkbox"/>
\$10,000	\$290 / 36 months	Used	10 year old minivan. Honda Odyssey. Seats 7. 140,000 miles. Great for families.	<input type="checkbox"/>
\$12,995	\$288 / 48 months	Certified Pre-Owned	5 year old car. Hyundai Sonata. Seats 5. 55,000 miles. Has a 5 year warranty.	<input type="checkbox"/>
\$17,995	\$323 / 60 months	New	Ford Focus. Small-car sedan. Seats 5. 30 mpg.	<input type="checkbox"/>
\$25,995	\$467 / 60 months	New	Toyota Prius. Hybrid sedan. Seats 5. 45 mpg.	<input type="checkbox"/>
\$29,995	\$539 / 60 months	New	GMC Sierra. Pick-Up truck. Seats 5. 18 mpg.	<input type="checkbox"/>
\$36,995	\$665 / 60 months	New	Dodge Durango. SUV. Seats 7. 19 mpg.	<input type="checkbox"/>
\$49,995	\$898 / 60 months	New	Mercedes Benz E Class. Seats 5. 18 mpg	<input type="checkbox"/>
\$54,995	\$988 / 60 months	New	Chevy Camaro Super Charged. Seats 5. 18 mpg	<input type="checkbox"/>

 Extras -- Cell Phone Plan		Choose <input checked="" type="checkbox"/>
\$40	100 minutes a month. No texting. No data.	<input type="checkbox"/>
\$60	150 minutes a month. 50 texts sent/received.	<input type="checkbox"/>
\$90 + \$10 for each additional line	Unlimited talk and text.	<input type="checkbox"/>
\$120 + \$20 for each additional a line	Unlimited talk, text and data.	<input type="checkbox"/>



Child Care (if Applicable)

Choose

\$0	One parent quits their job	<input type="checkbox"/>
\$300 per child	Child Support (if applicable)	<input type="checkbox"/>
\$450 per child	Babysitter	<input type="checkbox"/>
\$675 per child	Daycare with some Preschool	<input type="checkbox"/>
\$1800	Full-Time Nanny. Assists with Housework.	<input type="checkbox"/>



Savings Goal (Not a Monthly Expense)

Choose

\$400	Video game console	<input type="checkbox"/>
\$750	The newest tablet	<input type="checkbox"/>
\$1,500	Living room furniture	<input type="checkbox"/>
\$2,500	A class at the local university.	<input type="checkbox"/>
\$3,000	Engagement ring	<input type="checkbox"/>
\$1,700 per person	1-week Disney Cruise vacation	<input type="checkbox"/>
\$2,000 per person	3-week vacation to Mexico	<input type="checkbox"/>
\$2,500 per person	1-week vacation to China	<input type="checkbox"/>
\$4,000 per person	2-week vacation to Australia	<input type="checkbox"/>
\$5,000	For Roth IRA (retirement account)	<input type="checkbox"/>
\$12,000	Jet ski	<input type="checkbox"/>
\$15,000	Motorcycle	<input type="checkbox"/>
\$18,000	Remodel the kitchen	<input type="checkbox"/>
\$25,000	In-the-ground pool	<input type="checkbox"/>
Unlimited	For a rainy day	<input type="checkbox"/>

The [simulated] Game of Life

Reflections



Respond to the questions in complete sentences. Use specific examples from the project when appropriate.

1. How well do you believe your budget allowed you to reach your financial goals?
2. How did the update affect your finances? How did it affect your savings?
3. Did you significantly change any parts of your budget? Explain.
4. How did a change in family status, change your budget? Did it make it more difficult?
5. Were you able to reach your savings goal? Why or why not?
6. If you could restart the project, what would you do differently?

Unemployment

If you have lost your job for any reason, it's time to find a new one. It turns out there isn't much available. Choose from the list and record your new hourly wage. The worse part is that you are only getting 25 hours per week so you'll need to calculate your annual salary AND...



...since you are not getting 30 hours, you will also have to pay for your own health insurance.

Job Board	Hourly Wage
Unemployment Service	\$8.00 / hr
Fast Food	\$7.75 / hr
Child Care	\$8.25 / hr
Neighborhood Handyman	\$8.40 / hr
Driver (Cab or Commercial)	\$8.10 / hr
Telemarketer	\$7.80 / hr
Department Store	\$7.90 / hr

Health Insurance Single	\$350 / mo
Health Insurance Family	\$750 / mo