**We’re here to support you!**

We know that the response to the COVID-19 outbreak has resulted in many schools closing while others are attempting to continue to educate students through distance learning strategies. We strongly believe that part of what makes Budget Challenge the most effective tool to help create the next generation of financially capable adults is our amazing teacher partners who coach, guide, challenge and extend the education of their students during the simulation. Consequently, though we know the student experience will not be as beneficial, Budget Challenge can still be an especially effective activity for students in a distance learning situation. And unlike traditional learning, our multimodal assessments like trophies earned and engagement score can be used to authentically evaluate learning.

The current crisis is unlike anything even those of teaching during 9/11 have experienced, and it is certainly emotionally wrenching for all of us including our students. A small silver lining is that we have a teachable moment; financial issues have never been more real or relevant for our students. If we have the ability to continue to engage with our students, we can provide them with meaningful lessons that can truly be life-altering.

To help support those teachers in schools that have closed or transitioned to distance learning we offer some additional questions for generating discussions or reflections. We understand that student and school technology resources vary significantly. Some teachers may be able to set up chat rooms for class or small group discussion, while others may only be able to contact students through email or parent email accounts. Some of you may only be able to provide questions to students while others may be able to review student responses. Some of these questions/assignments are more relevant at specific times during the simulation while others can be used throughout the simulation. These may also be helpful to those of you whose school has not been disrupted by the outbreak.

**Writing and discussion prompts**

1a. Two of the most important economic concepts in managing money are opportunity cost and trade-offs. Because Budget Challenge accurately simulates the typical finances of a working young adult, students often must choose between one financial action or another because they can’t afford both. Describe three (this number can be changed based on how far you are into the simulation) decisions you’ve made so far where you chose to spend or save money or pay down debt and what the opportunity cost was. For each situation, explain why you made the decision you did.

1b. Think about two important financial decisions you’ll be making in the next year. What decision do you expect to make and what will be the opportunity cost of that decision? How confident are you in your choice? Explain.

2a. The current situation with the COVID-19 outbreak underscores the importance of setting up an emergency fund. Have you funded your emergency fund in the simulation? Explain why or why not.

2b. In Budget Challenge, the goal is to put aside $500 in your emergency fund. This is intended to represent a challenging but realistic amount of money that can be saved in the early weeks of the simulation. A widely used recommendation for an adequate emergency fund is three to six months of living expenses. Review your Budget Challenge expenses. Which would you have to include in your monthly calculation? Are there any expenses in your credit card charges that you wouldn’t make in the event you had to live off just your emergency fund? Which ones?

2c. Three to six months is a pretty broad range and it may not be enough for some people. What do you think would be a good emergency fund for you as a 24-year-old working adult? Explain your reasoning.

2d. What types of workers might want more than three to six months of expenses in their fund? Explain why. What types of workers might not need three to six months expenses in an emergency fund? Explain.

3a. Another important aspect of Budget Challenge is investing for retirement. What is the difference between savings and investing? Why do you think many young adults and even middle-aged adults put off saving for retirement? What strategies does the reading on Retirement Investing suggest?

3b. As a result of recent events, the stock market has gone up and down dramatically during the past few weeks. Currently, it is down significantly from recent highs. Is that something that a twenty-four-year old investing for retirement should be concerned about? Explain? Is it something a 60-year-old getting ready to retire should be concerned about? Explain.

4a. List at least four (you can adjust this number based on your class) types of insurance that you’ve learned about during the simulation. What types of insurance have you purchased in the simulation? What type(s) are provided by your employer?

4b. Insurance is one strategy that helps individuals and households manage financial risk. Can you think of any types of financial risk that people are currently experiencing that may not be covered by insurance? Explain.

5a. Throughout Budget Challenge, routine expenses such as groceries, eating out, household items, etc. are purchased with your credit card. What are the advantages of using a credit card? What are the disadvantages?

5b. In what ways would having a credit card with a high credit limit be similar to an emergency fund? In what ways would it be different?

5c. Many adults get into trouble using credit cards, ending up with high credit card balances and only making the minimum payments. What steps will you take to avoid ending up in this situation?

5c. Many young adults do not completely understand the pros and cons of credit cards. At age 21, do you think you will want/need a credit card? Explain why or why not.

6a. Paying bills in full and on time is an important part of successfully managing one’s finances. Have you been able to pay all your bills in full and on-time? If not, why not?

6b. In order to pay all bills in full and on-time, you need both the available funds to pay the bill as well as remembering to pay it by the due date. Assuming you have the money, what strategies do you employ in the simulation to remember to pay all your bills on time? What strategies will you employ when you are on your own to pay all your bills on time?

7a. What has been the most difficult part of managing your money so far? If you could go back and change one thing you did or didn’t do so far, what would it be and why?

7b. Imagine that you receive a $1000 bonus from your employer in the simulation. What will you do with the extra money? Explain your reasoning.

7c. Imagine that you had an unexpected $1000 expense that is due on your next payday. This is an important expense you must pay. What adjustments will you make to your future budget in response to this? Will it mean leaving some bills unpaid? Explain.

8. Rank in order the following from most important to least important when deciding what to do with your money:

 a. putting enough money in my 401k to get the employer match

 b. paying at least the minimum due on my credit card

 c. putting money in my emergency fund to get it started

 d. putting money into savings

 e. paying down student loan debt

 f. paying rent

 g. paying my cellphone bill

If possible, compare your rankings with another student or students and discuss any differences. Write an explanation of the reasoning behind your top and bottom ranked priorities.

We’ve also pasted below two sections from our Grading with Budget Challenge guide which can be found on the Teacher Tab.

**Other Tools to Consider**

**Journal**

Some teachers have students create journal entries to chronicle and reflect on their Budget Challenge experience. This might be done on a weekly basis and/or in response to specific prompts such as: “Explain why you chose the checking account option you selected” or “How did you deal with the financial consequences of the unexpected event?” Journals can be an opportunity to address some of the issues that come with managing a budget, such as stress, uncertainly and trade-offs. Journals also provide an opportunity for students to think through their mistakes and learn from them. A favorite journal question asked mid-way through the simulation is, “what is the biggest mistake you’ve made so far and what did you learn from it?”.

**End of Unit Survey/Reflection**

Budget Challenge is unlike any other financial literacy program or most every other educational program. Some students immediately “figure it out” while others may struggle for a while before they “get it”. Some of the most effective lessons come from students making mistakes and seeing the consequences of those mistakes. This should be considered when grading. Many teachers have students complete a final reflection on their experience by writing responses to questions like “What are the three most important lessons you learned from participating in the simulation?” and What are two specific things you plan to do in the next four years to help secure your financial future?”

**Parent Involvement**

In addition, we are attaching an editable parent message that can be sent out for each week of the simulation. We had several teachers piloting these as part of an organized parent engagement research project and the preliminary results have been very positive. This will be part of the expanded teacher resources we’ll be providing to you next year, but we thought some of you could use them as part of your distance learning strategy. Note that they were designed for use during a regular class simulation, so some editing of content will be necessary. The idea is that teachers will customize them to reflect what they are doing in their classroom. Extending the learning by engaging parents can be especially beneficial at this time.