

Money Management in Mad City

by Lin Standke

“Welcome to the future in Mad City. Congratulations! You’ve graduated, some of you are married, and all of you have a job. You also have expenses and debt.

“Now it’s time to create a budget so that you’ll know just how much of your hard-earned money you can spend on day-to-day living. And, of course, how much you can save for future needs and wants.”



Students visited eight businesses in Mad City to pay bills, make deposits, donate to charity, and purchase goods and services. Joe Day, CUNA's director of consumer business development, staffed the My Wheels car dealership.

As a new resident of Mad City, once you received “My Big Bad Budget Work Sheet,” the fun—and learning—began. The goal? To purchase housing, transportation, food, clothing, furniture, personal items, and entertainment for you and your family on a specific monthly income.

Oh, and by the way, you can't be overdrawn or have less than \$200 in your checking account by the end of the session.

Adult budgets in high school

That's how a two-hour simulation of life as an adult began for 25 high-school students attending a statewide 4-H leadership conference in Madison, Wis.

Students selected a career from a group of occupations that included lawyer, teller, veterinary assistant, and farmer. Inside each career envelope was different information about monthly salaries and personal obligations such as taxes, school loans, and credit card debt. The Mad City simulation created instant families for some teenagers, complete with wallet-sized pictures of the kids, which added realism—and humor.

Prerelease homework in CUNA's *Guides to Independence* program required students to complete

two online modules about opening and balancing a checking account. The first stop was Benjamins Credit Union to make a deposit in a checking account for the amount of each new family's monthly net income.

Then, with checkbooks in hand, students started shopping. Businesses, staffed by employees from CUNA, CUNA Mutual, and Great Wisconsin (formerly CUNA) Credit Union sold to students with realistic flair. Students made their own choices from options that merchants trying to “sell up” pushed on them. If a student wrote a check with a pencil, the merchant wouldn't accept it, reminding the buyer to rewrite it in ink.

Necessities

It was no surprise that most students headed to the My Wheels dealership next. A car is usually a young adult's first major purchase. And because this was a budgeting simulation, not a course in how to buy a car, students skipped the steps of researching car makes, models, and prices. The only options were new/used, sedan/truck/SUV, and luxury/economy.

Buying a home and finding affordable day care offered some unfamiliar challenges and choices. One student decided that he could take the bus to work so that his “wife” could have a dependable car to drive their daughter to day care on the way to her job. Another student decided to purchase used baby clothes “since they get all yucky and babies grow so quickly,” so that she could spend more on housing that gave her family the living space it needed.

The goal of Mad City was to let the students experience their own money mistakes. Typical dilemmas had powerful learning effects. Students discovered that they couldn't buy all the things that they wanted

(e.g. a big house and a brand new truck) and still provide for themselves and their imaginary families (e.g. with food). Several teenagers returned to Really Realty to trade in their expensive living spaces for cheaper housing just to make ends meet.

“Now I know what my parents go through every month and why they won’t buy me everything I ask for,” said one teenager struggling to balance the costs of day care and diapers with a mortgage and car payments.

Lessons learned

In the debriefing session, the teenagers revealed how they liked the future and what advice they’d give themselves. All agreed that adulthood

was much more expensive than they had thought and that budgeting and saving was the only way to get what they needed and wanted.

How would they change their futures? “I’m going to get good grades so I can make it into college and earn bigger bucks,” said one student who admitted to a C+ average. “I want it all,” claimed one ambitious teenager. “So I guess I should save some money instead of spending it.”

Isn’t it interesting how much teenagers learn about money when they experience adult life—even if only for a few hours? ■

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Main Street in Mad City

My Wheels: For new and used vehicles, plus bus passes, insurance, gas, and car repairs.

Really Realty: For housing and mobile homes, apartments, insurance, and utilities.

Gotta Eat! For groceries, fast food and dining out, plus lattes and soft drinks.

Abercrombie & Duds: For clothing and personal care items.

Sit ‘n’ Sleep: For furniture and electronics, and telephone, cable, and ISP access.

Family Matters: For children’s clothing, diapers, toys, and day care.

Fun Factory: For travel and entertainment.

Benjamins Credit Union: For checking and saving accounts, charitable donations, and credit cards.

Family income

My Occupation: Firefighter	Spouse/Partner’s Occupation: Insurance agent
Monthly salary: \$2,504	Monthly salary: \$2,230
Taxes and deductions: \$501	Taxes and deductions: \$446

Children

Lin, age 4



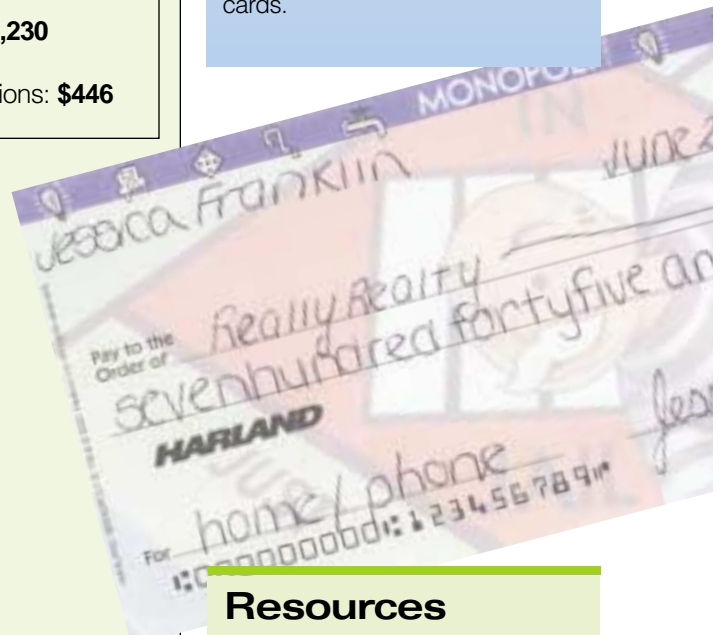
Family debt and payments

- Medical insurance: **\$200 month covers you and your family**
- Student loan payment: **\$120 month**
- Credit card debt: **\$2,558**

Resources

Robert E. Morgan, The Creative Teaching Site; www.creativeteachingsite.com

J. Funke, 1988 Simulation And Games, Vol. 19, 277-303



The Value of Learning by Simulation

Simulations consist of artificial situations that allow players to practice dealing with dilemmas and conflicts. Simulations imitate reality while reducing complexity to manageable proportions. Players walk in the shoes of other people and learn by experimenting with different solutions to realistic problems.

The Mad City simulation required teenagers to integrate their knowledge of money, skills in math, attitudes about choices, and money values.

A chance to make mistakes and suffer consequences safely. Within the program's two hours, students made decisions with immediate repercussions

that might not occur for years in real life. They had the opportunity to modify their decisions and actions and see the impact of changes right away.

They had chances to make mistakes—and suffer the consequences of their decisions in a realistic, but safe, environment.

Robert Morgan, classroom teacher and director of the Computer, Space Science, Simulation, and Faculty Technology Training Center (University School, Shaker Heights, Ohio), believes simulations are a good way for learners to take on responsible roles, find ways to succeed, and develop problem-solving tools. Morgan states that simulations make students hands-on participants, not just listeners or observers. Simulations motivate students because their involvement in the activity is so personal that it leads them to want to learn more about the simulated subject matter.

Most adults would consider the topic of budgeting to be a “yawner.” Books and classroom lectures on the subject would likely put most

teenagers to sleep. But a budgeting simulation elicits higher levels of interest, motivation, and engagement. These produce higher quality problem solving in students than

traditional classroom methods do. What's more, simulations encourage persistence, creativity, productive research, and cooperative teamwork. ■



Students learned that erasers and calculators are important tools for creating a monthly budget. “It’s like a puzzle,” said one teenager. “You have to use all the pieces and they all have to fit.”



Jim Hanson, CUNA's vice president of personal finance, illustrated how “life happens” by presenting each student with at least one bill for unexpected expenses, such as replacing eye glasses that someone sat on, and at least one windfall, such as winning free groceries or receiving an inheritance.