



講求事實數據的新一代

Fact\$ & Figure\$  
Generation



~ Module 8 ~

*"Burning Money"*

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## Forward

School children are forming decision-making habits that will impact the quality of their lives.

Money management habits built while young will have a dramatic effect on students' quality of life.

Burning Money is about accepting responsibility for money decisions—both good and bad.

Utilizing a real-life spending journal, students will be able to track and analyze their money decisions for a week and learn what it takes to live within a budget.



## How to use this guide

### Lesson Overview & Objectives

What are the students supposed to learn? This section sets forth the goals of knowledge gained by the students.

### Classroom Progression

Does it feel like students are taking too long to complete a task? Here's a general timeline to make sure students are staying on track.

### Classroom Warm Up

It's time for class! Let's get the class motivated and in the right mindset. Along with a brief introduction to share with the class, there are some potential discussion points in the pre-test to get the students talking and engaged with the material.

### Module Progression

What are the students seeing? Here are a few screenshots you can use to discuss key points from the module after the students complete their posttests.

### Activity

Alright! The module is done, the posttests have been scored by the FoolProof system. Let's put that knowledge to use!

There's a short suggested script for you to introduce the activity and to set the students off to apply their knowledge learned.

### Conclusion

Let's wrap this up and put a bow on it! Recap key concepts and thoughts for the students to take with them into life.

## Evaluation

There are multiple data points throughout the module and activity. Want to know where? Find out here!

## Glossary

What are these people talking about? The glossary has some key definitions that will come in handy.

## General Lesson Overview & Objectives

Burning Money consists of:

- ✦ One 15-minute introductory episode
- ✦ Four main episodes taking 45 minutes each:
  - ◆ Episode 1: Commence Destruction
  - ◆ Episode 2: Work Harder, Make Less
  - ◆ Episode 3: Work Less, Make More
  - ◆ Episode 4: Me? A Millionaire?
- ✦ Income and expense money journal tracking
- ✦ A 30-minute comprehensive test.

*"This helps each student to analyze their personal spending habits..."*

**An important FoolProof feature:** *students can work at their own pace on any of the episodes. Students can stop at any time, and then come back to the same place another day, or even from a home computer, tablet, or phone.*

**Critical preparation:** students need to track their income and expenses for seven days at the very beginning of the Burning Money series. This "Spending Journal" assignment is the backbone of the module and becomes the key teaching tool in all Burning Money Episodes. We provide you a printable spending journal (8 single-sided pages) in your teacher panel. Make sure you print extra copies.

The Spending Journal assignment uses individual student's actual income and expense records to help each student analyze personal spending habits.

Because the students need seven full days to record their spending habits, it's important that you schedule a seven day "Burning Money Break" after the first Burning Money session.

**If you have students that honestly don't have any expenses during a week:**

- ✧ So that these students can still benefit from the “Spending Journal” exercise, we provide you a “Virtual Income & Expenses Sheet” that you can give to these students. Like the regular spending journal, the sample expenses document is available for printing in the teacher panel.
- ✧ Since many students would prefer using the virtual income & expenses in the exercise rather than having to go to the trouble of keeping their own expenses, we recommend that you make sure a copy of this expense sheet only goes to students who genuinely don't have expenses during a week.



## General Classroom Progression

### Estimated 7 class periods.

- 1. Before class begins: make sure you have printed enough spending journals for your entire class.** You can find the printable spending journal in the teacher panel.
- 2. Class Period 1: have your students work through both the introductory Burning Money episode and Episode 1 “Commence Destruction.”** These two episodes prepare your students for the Spending Journal Project and allows them to practice online entries using their online spending journals.
  - ✳ FoolProof presents this spending journal project to your students as a major test. Emphasize that each student will be graded on the thoroughness of his or her journal.
  - ✳ Hand out the printed version of the spending journal at the end of this first lab session, and discuss the journal with the class.
- 3. Take a seven-day Burning Money break.** Please do not begin Burning Money’s Episode 2 until all students have completed their spending journal project and entered their records from the printed Spending Journal into their online Spending Journal.
  - ✳ Each day during the Burning Money break remind your students about the importance of keeping thorough records, and encourage student questions.
  - ✳ Many students will have problems keeping their spending journal. Be prepared to discuss problems in your class during the seven-day break.
  - ✳ Students can make their online journal entries at home, but you will still need to allow lab time for many students to make their entries.
- 4. Schedule episodes 2 through 4 and the module test.**
  - ✳ **Consider scheduling two lab sessions for Episode 2.** Many students will need a lab session to complete their online journal entries.
  - ✳ Episodes 3-4 require 45-90 minutes of lab time each.
  - ✳ The comprehensive test is normally completed in one 45-minute lab session.
- 5. Assign the activity to reinforce concept comprehension.**
  - ✳ Students will need at least one class period for research.
  - ✳ Set aside one additional class period if you’re planning on student presentations.

## Episode 1: Commence Destruction

**Lesson:** “Commence Destruction!” introduces the concept that money is a limited and perishable resource. We spend our lives trying to accumulate it...but once we’ve spent it, it’s gone.

**Time:** 60 minutes— 15 minute Introductory Episode, 45 minute Episode 1. Students can work at their own pace and stop at any time. If a lab session is ending, they can restart at that same location.

**Note:** This guide is, of course, only a suggestion. Feel free to modify it as needed, and please share with us your own teaching ideas for FoolProof!

-  Both the Introductory Episode and Episode 1 should be completed on the same day.
-  Before you begin this episode, you must print copies of the FoolProof Spending Journal for your students.

## Episode 1: Lesson Overview & Objectives

### Knowledge Objectives

Students will be better able to:

1. Identify the difference between fixed and variable expenses.
2. Identify their spending habits and trends.
3. Understand the importance of good record keeping in the budgeting process.
4. Critically evaluate a detailed spending journal.
5. Comprehend and identify the importance of good saving habits.
6. Understand the concept of a monthly budget and saving plan.

*"Students get fundamental knowledge of a bad money burn..."*

### Skills Objectives

Students will be better able to:

1. Analyze good from bad "money burns."
2. Analyze the risk of poor spending habits.
3. Compare and contrast fixed and variable expenses.
4. Explain factors that affect the ability to budget.
5. Explain the process of creating a spending journal.

### Attitude Objectives

1. Students will feel they have a good general understanding of the difference between fixed and variable expenses.
2. Students will feel they have a fundamental knowledge of a bad "money burn."
3. Students will feel they have control of their spending through the use of a spending journal.

## Episode 1: Classroom Warm Up

### Ask your students:

*“Do you have any idea where you spend your money? Could you track your money for one week just to see where it all goes?”*

### Potential Teacher Talking Points:

If you’ve never tracked your money, you could be in for a shock! Many students are surprised with their spending habits.

How much do you spend on food? How much of that could be saved by making different decisions? Do you spend a lot in in-app purchases? Those micro-transactions add up to big money over time.

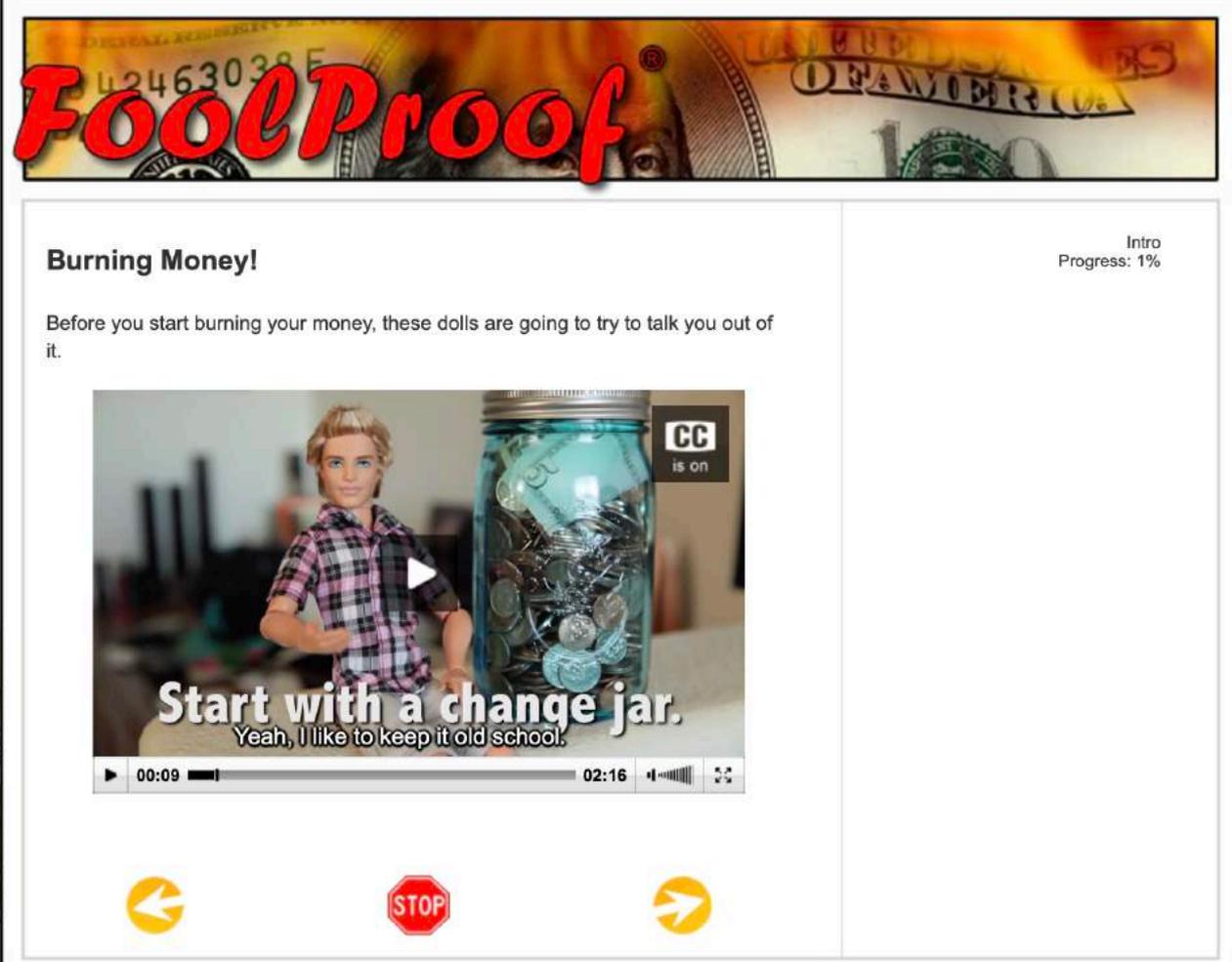
### Bonus Activity

This episode uses a comparison of expensive designer jeans vs. standard jeans as a way of teaching “want” versus “need.” Have a team of students do research on the similarities of a standard clothing item to a supposedly better, more sought after designer item.

## Episode 1: Module Progression

To see FoolProof in action, review examples of our teaching methods below. We outline screenshots from within Module 8's Episode 1, "Commence Destruction" with accompanying text, to give you an idea of how students will experience specific teaching elements (e.g. Integrated videos, real life examples, quiz and repetition elements, etc.).

*Episode 1 is all about the typical money mistakes young people make. Videos and animations throughout the episode reinforce these common mistakes with examples and solutions.*



**Burning Money!**

Intro  
Progress: 1%

Before you start burning your money, these dolls are going to try to talk you out of it.

**Start with a change jar.**  
Yeah, I like to keep it old school.

00:09 02:16

CC is on

← STOP →



We ask the students questions about their personal budgeting and saving situation. The goal is to get the student to think about his or her current level of financial knowledge, and to show the student the importance of learning better financial skills.

**Answer These Questions:**

Intro: 17  
Progress: 17%

And relax. No one will know how you answered. So, tell it like it is.

1) Do you want to understand how budgeting and saving can impact your life?

Yes  No  Maybe

2) Would you like to have more control over your money?

Yes  No  Maybe

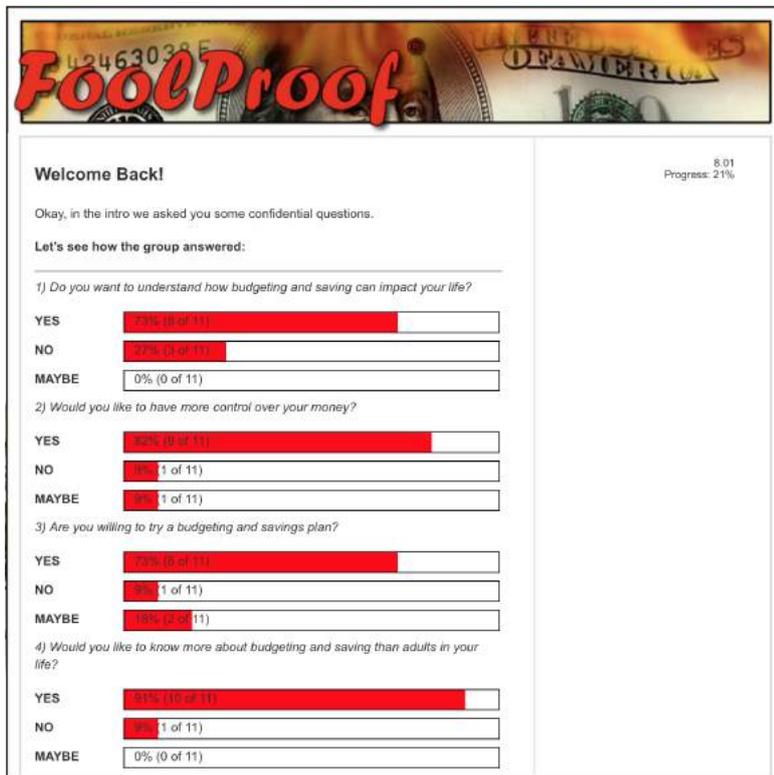
3) Are you willing to try a budgeting and savings plan?

Yes  No  Maybe

4) Would you like to know more about budgeting and saving than adults in your life?

Yes  No  Maybe

Submit



We then compare a student's answers about budgeting and savings to the answers of the entire class. Only the student sees this comparison.



Next, we show students how to develop their own budgeting plan. We start with entering everyday examples into an online bank account. We then, together with the student, check their input against the correct answers.

**Okay, Let's Do This:** 8.05  
Progress: 25%

Your online journal will have a section like this. Let's see if your brain is working.

Enter the items below on your record. (Remember to fill in all the fields for each item.) Tip: "Credit" means money is coming in. "Debit" means money is going out.

1. You have 20 bucks in your pocket.
2. You got a paycheck this morning from part-time work: \$50.00
3. You bought a magazine in the store next to school at lunch: \$6.95
4. You bought breakfast at McDonald's: \$9.95
5. You take a friend to the show. It's the 8 p.m. show: \$20
6. A friend pays you back \$15.00 in the afternoon.
7. You buy two juices from the machine in the cafeteria at lunch: \$4

Item:	Description:	Credit	Debit
#1	Cash in hand	\$20	\$
#2	Paycheck from part-time job	\$50	\$
#3	Magazine purchase	\$	\$6.95
#4	McDonald's breakfast	\$	\$9.95
#5	8pm show at cinema	\$	\$20
#6	Reimbursement from friend	\$15	\$
#7	Juice at lunch in cafeteria	\$	\$4

Submit Clear

**And Speaking Of That Spending Journal:** 8.06\_1  
Progress: 27%

You're going to have to keep it for 7 days.

**Make sure you log every cent you take in and every cent you spend.**

And remember, this journal will count as an important test grade. Your grade will be determined by the thoroughness of your recording keeping, not by your spending habits.

- Enter your expenses as they happen! If you don't, you'll forget.
- Then transfer your expenses to your online spending journal every day, if you can.
- You can log on to your online journal directly from the student menu in your account, or via the "spending journal" button on various "burning money" screens.

You can print our daily spending journal [here](#), if your teacher hasn't given you your journal yet.

You can access your online spending journal here:

**online  
Cash Flow**

Have fun with this! Believe it or not, very shortly you'll see why this is important.



Printable Spending Journal

Next, the spending journal is introduced. Student are asked to record every dollar they earn or spend throughout a random week.



Record keeping is done on a printable worksheet.

**DAY: 2**

STARTING DAY BALANCE	\$ 110.30
TOTAL DAY INCOME	\$ 40
TOTAL DAY EXPENSES	\$ 114.40
ENDING DAY BALANCE	\$ 35.90

**INCOME ITEM:**

CUTTING GRASS INCOME	\$ 40
	\$
	\$
	\$
TOTAL:	\$

**EXPENSE ITEM:**

CELL PHONE BILL	\$ 97.23
EVENING MOVIE WITH THE GANG	\$ 10
POPCORN & BEVERAGE AT THE CINEMA	\$ 7.17
	\$
	\$
	\$
TOTAL:	\$ 114.40

**FoolProof**  
Use Cashless. Question Cashless. Buy on Receipts.

The personal data is entered into the student's online bank account, and later analyzed (see episode 3).

**online Cash Flow** Powered by: FoolProof

[overview](#) | [income report](#) | [expense report](#)

**Balance:** \$ 257.92

**Overview**

Day	Description	Category	Credit/Deposit	Debit/Withdrawal
Day 1	Starting income	Income	\$ 200.00	
Day 1	friend loan	Income	\$ 50.00	
Day 1	Snack room	Food		\$ 1.00
Day 1	Gronola bar	Food		\$ 2.30
Day 1	Shirt	Clothing		\$ 24.00
Day 1	energy	Food		\$ 1.90
Day 1	Birthday money	Income	\$ 100.00	
Day 2	Grass Cutting	Income	\$ 40.00	
Day 2	Lunch	Food		\$ 11.50
Day 2	cell phone bill	Misc.		\$ 97.23
Day 2	Movie	Entertainment		\$ 10.00
Day 2	Popcorn and beverage	Food		\$ 7.17
Day 2	Snack room	Food		\$ 1.00
Day 2	Car Payment	Utilities		\$ 251.00
Day 3	Health insurance	Misc.		\$ 59.00

Have fun with this! Believe it or not, very shortly you'll see why this is important.



During the module we ask students follow-up questions designed to reinforce the knowledge they have gained.

**FoolProof**

8.03  
Progress: 23%

**Okay, Let's See If You Get It:**

Keeping very detailed and accurate records for seven days will get you an excellent grade on this assignment. Keep sloppy records, and you'll fail this assignment.

**Show us you get it:** tell us whether each of the entries below would be correct or incorrect on your sheet.

Detail is the name of the game:

- "Going to the show" isn't right. "Going to the 5.30pm matinee" is right.
- "Ate lunch" is wrong. "Ate lunch at fattest restaurant in town!" is correct detail, but still probably a stupid answer.
- "Money from best friend" is wrong but "Best friend paid me back loan" is right.

Description:	Right	Wrong
Bought breakfast with a card	<input type="checkbox"/>	<input type="checkbox"/>
Gift for birthday party	<input type="checkbox"/>	<input type="checkbox"/>
Travel expense	<input type="checkbox"/>	<input type="checkbox"/>
Paid bill	<input type="checkbox"/>	<input type="checkbox"/>
Bottled water	<input type="checkbox"/>	<input type="checkbox"/>
Lunch	<input type="checkbox"/>	<input type="checkbox"/>
Money from parent	<input type="checkbox"/>	<input type="checkbox"/>

Submit

Navigation icons: back, stop, forward

**FoolProof**

8.07  
Progress: 28%

**A Nice Game To End This Episode... Bounce!**

Enjoy your two minutes of joy. The program will continue automatically after that.

SCORE  
0

Navigation icons: back, stop, forward

Back to Teacher Panel

Game breaks conclude each episode, to keep a student's mind fresh for the next episode. The game can only be played for 2 minutes. After two minutes the program automatically continues to the next episode.

## Episode 2: Work Harder, Make Less

- Lesson:** “Work Harder! Make Less!” presents two key FoolProof Concepts:
- ✳ Every unwise or unnecessary expenditure is equivalent to taking a pay cut.
  - ✳ Every unwise or unnecessary expenditure requires you to work more hours to make up for money spent foolishly.
- Time:** 90 minutes—45 minutes for online journal entries, 45 minutes for Episode 2.
- Note:** This guide is, of course, only a suggestion. Feel free to modify it as needed, and please share with us your own teaching ideas for FoolProof!

## Episode 2: Lesson Overview & Objectives

“Work Harder! Make Less!” reinforces the critical importance of early financial planning in high school. This episode immerses the student in interactive exercises that show the consequence of bad consumer decisions on various areas of life.

### The core lessons taught in the episode:

- ✿ Money habits developed in high school will have an enormous impact on the quality of life after high school—whether continuing on to college or entering the workforce work.
- ✿ Poor budgeting and savings habits developed early in life can impact spending decisions negatively throughout life.
- ✿ This episode uses highly interactive programs to highlight the following topics:

*“Credit problems have a huge negative impact on every part of our financial life...”*

- ◆ Credit problems have a huge negative impact on every part of our financial life. Even the smallest mistake can cause credit problems.
- ◆ The “RealityGame” allows students to experience first-hand how tough it is to survive in the real world without budgeting, saving and critical thinking skills.
- ◆ Check writing, and bill-paying skills and the impact of poor credit on the amount of your bills.
- ◆ The critical importance of doing homework before spending money.
- ◆ Unexpected expenses can have a great impact on finances. How budgeting and saving are the best way to prepare for these expenses.
- ◆ Many times, we do not even know we’ve thrown money away.

### Knowledge Objectives

Students will be better able to:

1. Understand the impact of paying late on their credit score.
2. Understand the continuing impact ones' credit score has on many areas of life, from employment, to housing and insurance.
3. Understand the difference between gross and net pay, and the impact that difference makes on life.
4. Understand the budgeting process, its complexity, and the impact of bad decisions on the budgeting process.
5. Identify why "bad" money burns happen.
6. Calculate how one bad decision can lead to months or years of extra expense.
7. Explain the role of the free enterprise system and the responsibilities that system places on the consumer.
8. Discover the critical importance of comparison shopping, and doing their homework before making a purchase.
9. Confirm proficiency in check writing and account balancing skills.

## Skills Objectives

Students will be better able to:

1. Analyze the continuing impact credit scores have on many areas of life, from employment, to housing and insurance.
2. Identify the difference in gross and net pay, and the impact that difference makes on life.
3. Comprehend the budgeting process, its complexity, and the impact of bad decisions on a successful budget.
4. Discover the critical importance of comparison shopping, and doing their homework before making a purchase.

## Attitude Objectives

1. Students will have a feeling of accomplishment when they complete the "RealityGame" project and become comfortable with the complexity of budgeting.
2. Students will feel more confident that they are capable of mature saving and budgeting decisions and can be confident that good decisions are worth the effort.
3. Students will feel they have the fundamental knowledge and understand the critical importance of comparison shopping, and doing their homework before making a purchase.
4. Students will feel they have the skills necessary to calculate how one bad decision can lead to months or years of extra expense.

## Episode 2: Classroom Warm Up

### Ask your students:

*Where does your money come from? How many of you have jobs? Do you want to work harder and make less? How can that happen?*

### Potential Teacher Talking Points:

Have students create a class list of how it would be possible to work more and get paid less. You can post the list during the time your students are working through Episode 2.

Use the list as reference when a teaching point comes up. Your students will be surprised how much money is wasted by not making good financial decisions.

### Bonus Activity:

- ✿ Have a group of students compare the messages and claims some companies make for their products or services to the messages and claims consumer groups say about the same products and services. Suggested topics: Tanning bed companies; auto manufacturers; fast-food companies; hotels and/or vacation destinations; credit card companies; “Debt reduction” companies; “Buy here/Pay here” companies.
- ✿ Have a group of students compare the cost of credit cards using the premise of “good and bad” credit cards. Find examples of very “bad” credit cards.
- ✿ Have a group of students do a “reverse savings” presentation where the students take the total amount of “bad burns” for the entire class and determine how much money was wasted and could have been saved if put into a savings account.

## Episode 2: Module Progression

To see FoolProof in action, review examples of our teaching methods below. We outline screenshots from within Module 8's Episode 2, "Work Harder, Make Less" with accompanying text, to give you an idea of how students will experience specific teaching elements (e.g. Integrated videos, real life examples, quiz and repetition elements, etc.).

*Episode 2 is based on a virtual reality game: setting up a life in a new town. Students are given an income, and then face the reality of that income: we assume they will need to purchase a vehicle, rent a house, and deal with all of life's expenses for a month. The game is introduced with a video.*

**FoolProof**

Your Credit Score? Budgeting & Saving? Joined At The Hip... Now Wake Up!

8.11  
Progress: 32%

CC  
is on

Alright, it looks like you're going to be making about \$3,000 per month.

00:37 01:13

← STOP →

Students have to select from a variety of vehicle and house options, and then try to determine which car or home fits within their budget.



**So, How Will You Be Getting To Work?**

Your free ride to work ends in 14 days. So, *maybe you need a car?*

How much can you afford to spend? Below is what's available at a dealership near you.

**Which car should you buy?**

Before you decide, think about this:

- You do not have enough money in your account to buy a car. You'll have to finance your purchase.
- You'll have to put down 25% of the vehicle's selling price as a down payment.

8.12  
Progress: 33%

Your current balance:  
\$ 2000

**My Account**

Income	Expenses
Savings	\$ 2,000.00
Total	\$ 2,000.00

[Need a calculator?](#)  
[Check Write Tutorial](#)  
[Restart Reality Game](#)

Click the pictures to enlarge the image.

Picture:	Description:	Milage:	Price:	Select:
	<p><b>2014 Toyota Sienna</b></p> <p>4D Pass Van, 2WD, 6 cylinders, Automatic, Gray, 16/23MPG Multimedia Set, 3rd Rear Seat, Quad Seats</p>	14K	\$17,500	<input type="radio"/>
	<p><b>2002 Chevrolet Blazer 4x4</b></p> <p>2D Coupe, 4WD, 8 cylinders, Automatic, Red, 12/16 MPG Adjustable Suspension, AC, Well Maintained</p>	85K	\$4,900	<input type="radio"/>

Click the pictures to enlarge the image.

Picture:	Description:	Price:	Select:
	<p><b>Nice 2-Bedroom Apartment</b></p> <p>Extra Advantage: Close To Bus Stop</p>	\$1,000 /Month	<input type="radio"/>
	<p><b>Modest 1-Bedroom Apartment</b></p> <p>Disadvantage: 3 Bus Changes Required</p>	\$750 /Month	<input checked="" type="radio"/>
	<p><b>Single Room In Private Home</b></p> <p>Living Situation: Shared bathroom, 10 Blocks From Bus Station</p>	\$350 /Month	<input type="radio"/>

What's Your Choice? Select one of the boxes on the right.

Submit



Any purchase and payment must be completed by issuing a check for the appropriate amount.

**Other Monthly Expenses:**

Of course you'll have other monthly expenses coming up.

**Miscellaneous expenses:**

Going to any movies?	\$ 17.50 / month
Eating out?	\$ 50.00 / month
Eating in?	\$ 250.00 / month
Clean clothes? What will you spend per month on laundry and dry cleaning?	\$ 25.00 / month

**Unexpected expenses:**

You will have them. For instance:

One week after you drive out in your new ride, the driver's window quits working—and the window is down and it's the rainy season. Unfortunately, your warranty doesn't cover window problems!

**Write a check for \$150 to "Fix It."**

I.B. Cule Jr. 123 FoolProof St. Anywhere, Anystate	Date <b>05/13/2019</b>
Pay to the Order of <b>Fix it</b>	\$ <b>150.00</b>
<b>Hundred fifty</b>	Dollars
For <b>Car window repair</b>	Signed

8.19  
Progress: 40%

Your current balance:  
\$ 427.5

**My Account**

Income	Expenses
Savings	\$ 2,000.00
First month's paycheck	\$ 2,000.00
Total	\$ 4,000.00

[Need a calculator?](#)  
[Check Write Tutorial](#)  
[Restart Reality Game](#)

**How To Write A Check?**

**First an example:**

In this example we will show you how to pay \$154.74 for a 2 night stay at "The Lakeside Inn," using a check.

I.B. Cule 123 FoolProof St. Anywhere, Anystate	Date <b>05/13/2019</b>
Pay to the Order of <b>The Lakeside Inn-----</b>	\$ <b>154.74</b>
<b>one hundred fifty-four and 74/100-----</b>	Dollars
For <b>Spring break</b>	Signed

Submit

<< >>

**Step 5:**

**Fill in what the money is for**

This helps you track where your money went.

We use learning the skill of writing checks as a tool to teach budgeting. A hands-on check writing tutorial takes students through the check writing process.



Monthly recurring expenses are followed up by unexpected expenses.

**Also:**

Your ink runs out in your printer. Deduct \$ 45. \$ 45.00

You run out of essentials—tooth paste, deodorant, etc. Deduct \$ 20. \$ 20.00

Your dog has terrible fleas and ticks. Buy shampoo and spray. Deduct \$35. \$ 35.00

Your current balance:  
\$ 177.5

**My Account**

Income	Expenses
	Anywhere Motors \$ 625.00
	- Car purchase
	Car Insurance \$ 605.00
	Company
	- Car insurance
	The Housing \$ 1,500.00
	Corporation
	- Rent and security deposit
	Power Company \$ 300.00
	- Utilities deposit
	Phone Company \$ 200.00
	- Internet connection
	Movies \$ 17.50
	Eating out \$ 50.00
	Eating in \$ 250.00
	Laundry \$ 25.00
	Fix It \$ 150.00
	- Car window repair
	Ink for printer \$ 45.00
	Tooth paste, deodorant, etc. \$ 20.00
	Dog supplies \$ 35.00
	<b>Total \$ 3,822.50</b>

  
[Need a calculator?](#)  
[Check Write Tutorial](#)  
[Restart Reality Game](#)

All spending is recorded in the student's online bank account.

We place students in real-life situations. For instance, if the monthly bill runs too high, a student can choose to put that charge on their credit card. But what happens if you charge more on your credit card than you can afford to pay? This lesson shows a student that spending more money than your budget allows can be very expensive...

**paying by credit card would have caused you to go over the limit on your credit card!**

What were you thinking!? Didn't you budget?!

You would have exceeded your credit limit, and you would have been charged an additional \$59\* in fees.

**Oops!**

*But don't worry. You can go back and pay with cash instead!*



\* Overdrawing your credit card will not go by unnoticed or without consequences. A credit card company will report this to the credit bureaus and this may impact your credit score.

For instance, the interest rate on your credit card may go up. Your old interest rate was 7.9%, your new rate will be 19.9%.

Avoid having your interest rate increased... Don't go over your limit. Silly!

At the end of the reality game, students receive an overview of their spending. If they overspend, they have to go back and “create” extra income: that have to take on an extra job, drop expense items, etc. This reality game helps the student understand the difference in a good “money burn” and a bad “money burn.”

**You Survived The Month! But Did Your Money Survive?**

8.20  
Progress: 41%

**How did you do?**

Here's how much money you have left: **\$ 177.5**

Hey, if you have any money left and you didn't starve, and you're getting to work, you did pretty good.

**But look at this:**

You made mistakes that will cost you thousands of dollars over the next years!

Did you buy a car? If you did, you threw away a thousand bucks, all because you didn't know to negotiate the price down.

<b>Bad burn: Car price</b>	<b>\$ 1000</b>
----------------------------	----------------

Now, looking at the car you bought. How much money did you have to pay in extra interest because you'd messed up your credit?

<b>Bad burn: Car payments</b>	<b>\$ 15.27 / month</b>
	<b>\$ 183.24 / year</b>

And remember your car insurance? You forgot that certain cars have higher insurance costs, and because of your poor credit you'll pay even more. That is every year.

<b>Bad burn: Car insurance</b>	<b>\$ 310 / year</b>
--------------------------------	----------------------

Then, we bring it back to the student's personal situation.... How much money did you throw away, and (more importantly) how could that money have helped your life, if you had not thrown it away!

During this reality game, you threw away: **\$ 1693.24** for this year alone. Think of what you could have done with this money.

## Episode 3: Work Less, Make More

**Lesson:** “Saving money is the same as earning money, but you work less!” That’s the big message in Episode 3.

- ✳ Each student’s individual seven-day Spending Journal will illustrate the principle that regardless of how much money you make, it will go further if you “burn” it wisely.
- ✳ This episode emphasizes the importance of paying yourself first and saving regularly as a life-long habit.

**Time:** 45 minutes

**Note:** This guide is, of course, only a suggestion. Feel free to modify it as needed, and please share with us your own teaching ideas for FoolProof!

## Episode 3: Lesson Overview & Objectives

“Work Less! Make More!” utilizes each student’s individual seven-day “Spending Journal” to illustrate many budgeting and saving principles. Custom software allows each student to review their expenses and determine how much they could have saved if they had spent money more wisely.

### The core lessons taught in the episode:

- ✦ Savings can help you pay for unexpected expenses.
- ✦ The difference between “wants” and “needs”. Each student evaluates their own expenses during the seven days to determine which were “wants” rather than “needs.”
- ✦ An interactive exercise on fixed and variable costs helps students determine which of their expenses during the seven days were fixed or variable. They can then decide which expenses could have easily been lowered.
- ✦ The ease in which many variable expenses can be lowered.
- ✦ The dangers of impulse buying. Each student identifies which of his or her expenses were impulse purchases.
- ✦ The impact of unexpected expenses on our quality of life. Each student will list his or her own unexpected expenses during past months.
- ✦ Paying yourself first. Student use examples from their own life to illustrate the importance of this lesson.

*“Each student identifies which of his or her expenses were impulse purchases...”*

### Knowledge Objectives

Students will be better able to:

1. Evaluate expenses based upon “need” rather than “want”. Each student’s own expenses for the past seven days are used as examples.

2. Identify the difference between fixed and variable expenses. Students use their own Spending Journal in this exercise.
3. Understand how easy it is to lower many variable expenses by using critical thinking skills.
4. Understand the reasons we impulse buy, and identify their own impulse purchases incurred during the seven-day expense exercise.
5. Understand the impact of unexpected expenses on our quality of life. Students will list their own unexpected expenses during the past months.

## Skills Objectives

Students will be better able to:

1. Identify the differences between needs and wants.
2. Compare and contrast the differences between fixed and variable expenses.
3. Comprehend the importance of savings to cover unexpected expenses.
4. Understand the negative aspects of impulse buying and how to prevent it from happening.

## Attitude Objectives

1. Students will have a feeling of accomplishment as they maintain and complete their seven-day Spending Journal exercise.
2. Students will feel confident that making wise decisions can become a habit and therefore will be easier to do routinely.
3. Students will be empowered by knowing they have control over their variable expenses and that variable expenses are normally easy to lower.
4. Students will understand that saving and budgeting can have a short-term benefit rather than solely a long-term to their quality of life and ability to be independent.

## Episode 3: Classroom Warm Up

This Episode should follow Episode 2 due to the continuity of the subject matter.

Your students have completed the first two episodes and the Spending Journal. They now have a better understanding of their own spending habits and the potential wastefulness of those habits. Ask them what they've learned from tracking their expenses.

### Potential Teacher Talking Points:

Small transactions add up over time. Think about eating out five times a week. How much does that cost over a year?

What strategies can help save money? Think of alternatives for common categories of expenses.

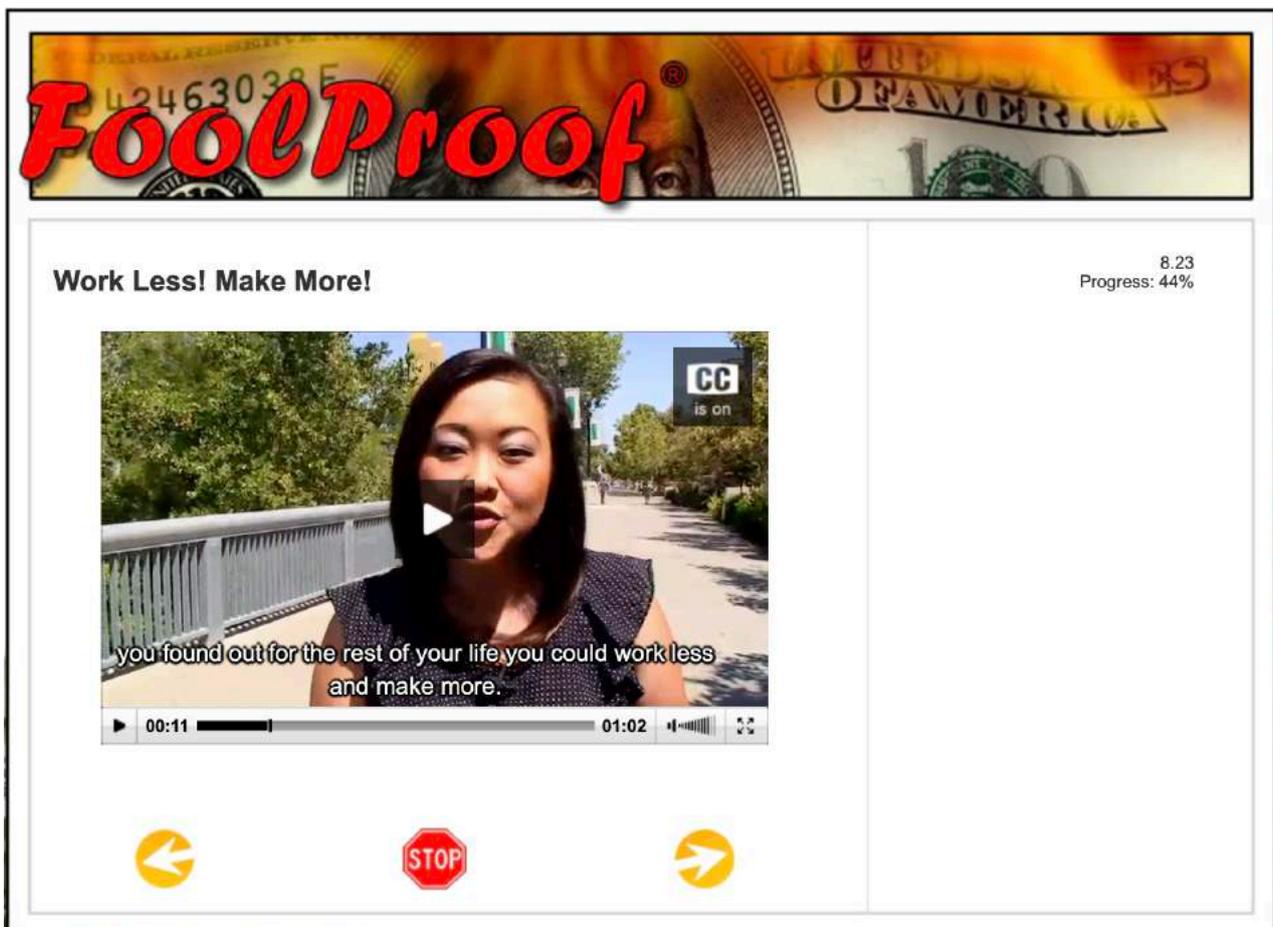
### Bonus Activity:

- ★ Have students look at how much money the entire class spent—and wasted—during the seven-day spending exercise.
  - ◆ Pass out printed copies of the Spending Journal. Have students gather the expenses for each category in the journal from each student and report the total to the class. For instance, “The class spent \$200.00 on snacks.”
  - ◆ Have the students determine how much money as a class they feel they could have saved during the seven days. Take each student's potential savings, as determined by the individual student software, and total the amount.
  - ◆ Have a team of students determine how much money that savings would have totaled to, if it had been kept in a savings account for a number of years. For instance, “if the class had saved that money in an interest-bearing savings account until they were 65, the money that was wasted would then have grown to \_\_\_\_\_.”
- ★ Have a class discussion on how they could save money.

## Episode 3: Module Progression

To see FoolProof in action, review examples of our teaching methods below. We outline screenshots from within Module 8's Episode 3 "Work Less, Make More" with accompanying text, to give you an idea of how students will experience specific teaching elements (e.g. Integrated videos, real life examples, quiz and repetition elements, etc.).

*Episode 3, teaches another key life lesson: if you reduce impulse buying and reduce variable expenses, you've just given yourself a raise without working for that money! "How would you like to work less and earn more?" is the key question of this episode.*



The screenshot shows a video player interface. At the top, there is a banner with the word "FoolProof" in large, red, stylized letters over a background of US dollar bills. Below the banner, the video title "Work Less! Make More!" is displayed on the left. On the right, the video duration "8.23" and "Progress: 44%" are shown. The video player itself shows a woman speaking, with a play button overlay and a "CC is on" icon. Subtitles at the bottom of the video frame read: "you found out for the rest of your life you could work less and make more." The video player includes a progress bar showing 00:11 / 01:02, volume controls, and a full screen icon. Below the video player are three navigation buttons: a yellow left arrow, a red octagonal STOP sign, and a yellow right arrow.



**I Want That! No... I Need That!** 8.24  
Progress: 45%

A lot of bad money burns happen because we confuse "wanting" something with "needing" something.

You need water when you're thirsty. You may "want" fancy water, but all you really "need" is water.

Get the difference? Let's see.

Select the correct word in each phrase:

- You have one pair of jeans and you just destroyed them.  
 want /  need a new pair of jeans.
- Your computer just self-destructed.  
 want /  need a brand new computer.
- You have a new job and you need to get to work and back each day.  
 want /  need a computer, and maybe a used one is better.
- You have a sports car.  
 want /  need a car of some type to get to work.
- You love eating out.  
 want /  need to get to work, and though a car would be nice, my budget may tell me I need to take the bus.
- You love eating out.  
 want /  need to eat out a lot.  
But I don't!  want /  need to eat out a lot. I could eat out less, you know, and save some bucks.

Understanding the difference in "wanting" something and "needing" something is an important life lesson. We let the student discover the importance of knowing the difference when making most money decisions.

You made a mistake. Please look again and get your 'wants' vs. 'needs' sorted out.

Next, we help a student understand the difference in fixed and variable expense--and why understanding the different is crucial to developing a realistic budget.

**Your Money Burns: Are They Fixed Or Variable?** 8.25  
Progress: 46%

What's the difference? And Who Cares?  
You should.

Virtually every expense is a "fixed" or a "variable" expense.

So what's the difference?

- A "fixed" cost is one you can't change easily. For instance, if the rent is \$400 per month, that is a fixed cost every month.
- A "variable" cost is one that can change all the time. And here's the big deal about variable costs: you can usually do a lot about lowering your variable costs.

Alright, why don't you tell us which items are variable and which are fixed in this list.

Fixed	Var	Description
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Car payment
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly phone bill
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Food
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Entertainment
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Power bill
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Clothes
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Gadgets
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Insurance
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Printer ink
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Laundry
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Student loan
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Credit card payment



Then, we show a student how to think about specific purchases. We show them the potential savings when shopping generically. For instance, when shopping for clothing, food, travel, etc.

**Okay, This Time, Give Us Ideas On How You Could Save!**

8.27  
Progress: 48%

Give us ways you can cut your variable expenses for these items.

Type in your answers. This isn't multiple choice, and your answers can't be longer than 140 characters.

And be serious in your answers—they will be seen by the whole class.

You need clothes for summer:

Answer 1:  
Go through the thrift shop to buy clothes.

Answer 2:  
Borrow clothes from a friend.

Answer 3:  
Wait for the clearance sale.

You want to cut down your car expenses in general:

Answer 1:  
Ride-share with co-workers or friends.

Answer 2:  
Find cheaper gas stations in the area.

Answer 3:  
Drive slower, lower acceleration.

You need high speed internet:

**Alright, Show Us You Got The Point!**

8.29  
Progress: 50%

Check which of the following are good tips for cutting down on impulse buying:

Statement:	Good:	Bad:
1. When you're going shopping, take a list, and stick to it!	<input checked="" type="radio"/>	<input type="radio"/>
2. Ask yourself, "Do I need this, or do I just want this?"	<input checked="" type="radio"/>	<input type="radio"/>
3. Always buy the newest model of something the minute it comes out.	<input type="radio"/>	<input checked="" type="radio"/>
4. Always grab the brand name product first!	<input type="radio"/>	<input checked="" type="radio"/>
5. Plan big-deal buys like a computer or a car—never buy them on impulse.	<input checked="" type="radio"/>	<input type="radio"/>
6. Don't be a fashion groupie—resist this month's "in" look.	<input checked="" type="radio"/>	<input type="radio"/>
7. Don't let small money burns keep you from making big but good money burns.	<input checked="" type="radio"/>	<input type="radio"/>
8. Don't ever question a seller's motive.	<input type="radio"/>	<input checked="" type="radio"/>

Submit

We help students understand the difference in “good vs bad” money burns. We show them that a “good” money burn means you are buying what you need and you are buying something that fits into your budget. The students then determine if their own money burns have been good or bad.



Next, we really dig into the nitty gritty of their personal weekly expenses. Students are asked to list their “impulse buys”, purchased items that could have been avoided by slowing down and carefully considering “wants” versus “needs.”

Day	Description	Category	Impulse	Debit/Withdrawal
Day 1	water bottle	Food	<input type="checkbox"/>	\$ 3.00
Day 1	video game	Entertainment	<input checked="" type="checkbox"/>	\$ 20.00
Day 1	payed back loan	Misc.	<input type="checkbox"/>	\$ 10.00
Day 1	candy	Food	<input checked="" type="checkbox"/>	\$ 4.00
Day 1	t-shirt	Clothing	<input checked="" type="checkbox"/>	\$ 25.00
Day 1	lunch at school	Food	<input type="checkbox"/>	\$ 5.00
Day 2	gave out loan	Misc.	<input type="checkbox"/>	\$ 5.00
Day 2	snacks	Food	<input type="checkbox"/>	\$ 2.00
Day 2	cell phone bill	Utilities	<input type="checkbox"/>	\$ 64.00
Day 2	lunch at school	Food	<input type="checkbox"/>	\$ 5.00
Day 2	candy	Food	<input checked="" type="checkbox"/>	\$ 3.00
Day 3	lost money	Misc.	<input type="checkbox"/>	\$ 5.00
Day 3	dog food	Family	<input type="checkbox"/>	\$ 15.00

After listing potential savings, students are shown exactly how much of their hard-earned money could have been saved.

Now, let's look at the amount of money you could have saved.

**Money I could have saved:**

This week, I would have had an extra **\$ 304.5**, if I had cut down my variable expenses.

**Question: could you have used that extra cash this week?**



We then ask the students if they put any money in their savings accounts... and explore the importance of that savings account again.

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**You Answered No!** 8.35  
Progress: 58%

**Question: Why didn't you put money in your savings account?**  
*Multiple answers are okay.*

- I don't have enough money to get by as it is.
- I've never thought about it.
- I've tried saving, but it never works. I always need the money.
- I don't have to worry about that at my age.

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**Do You Get It?** 8.37  
Progress: 60%

**Unexpected expenses come in all flavors, from good flavors to really bad flavors.**

*Here are just a few more questions:*

Had any unexpected expenses in your life so far?	Yes	No
Had any unexpected expenses in the last year?	<input checked="" type="radio"/>	<input type="radio"/>
Have you had any unexpected expenses in the last month?	<input type="radio"/>	<input checked="" type="radio"/>
Do you think you'll have unexpected expenses this year?	<input checked="" type="radio"/>	<input type="radio"/>
Do you think you'll have unexpected during your whole life?	<input checked="" type="radio"/>	<input type="radio"/>

*And a bonus question! Fun ey?!*

**List 5 unexpected expenses that happened to you:**

1. My bicycle broke
2. My dog got sick and needed surgery
3. Car service was higher than anticipated
4. Sudden sale on strawberries
5. I tore my jeans while playing with the dog.

Then we immerse the students in understanding the importance of saving. Students learn about unexpected expenses and the need for financial buffers.

## Episode 4: Me? A Millionaire?

**Lesson:** The accumulation of money generally doesn't happen by luck. Brainpower also isn't the main reason people accumulate money and others don't. Building wealth happens when you learn skills, develop habits, and are mature enough to be disciplined.

This episode focuses specifically on budgeting skills, savings skills, spending decisions, and on the importance of planning for financial issues and retirement.

**Time:** 45 minutes

**Note:** This guide is, of course, only a suggestion. Feel free to modify it as needed, and please share with us your own teaching ideas for FoolProof!

## Episode 4: Lesson Overview & Objectives

“Me? A Millionaire?” describes four fundamental habits that millionaires acquired during their high school years. Students discover for themselves that success with money is not luck — it is a skill. Concepts explained are:

1. Think ahead.
2. Pay yourself first.
3. Make smart-money decisions a habit.
4. Put your money to work for you.

### The core lessons taught in the episode cover these topics:

- ✿ Planning ahead for financial issues and retirement.
- ✿ Beginning a savings plan early in life.
- ✿ Using discipline when making financial decisions.
- ✿ Understanding the difference between permanently depreciating assets and income-producing assets.
- ✿ Paying yourself first is a key habit that can be learned by anyone.
- ✿ Acquiring the habit of making smart money decisions by doing your research.
- ✿ Distinguishing the difference between biased vs. unbiased websites as sources of information and choosing the best resource for making wise financial decisions. For instance, a website that advertises for a product vs. a website with reviews from consumer advocates.
- ✿ We are ultimately responsible for our own decisions in the consumer marketplace.
- ✿ The role of consumer advocates in the consumer marketplace.
- ✿ The role of advertising in consumer decisions.

*“Paying yourself first  
is a key habit  
that can be learned  
by anyone...”*

- ✿ Education can increase your earning power.
- ✿ Learning the critical role of compounding interest in building savings.

## Knowledge Objectives

Students will be better able to:

1. Demonstrate they understand the importance of planning ahead for financial issues and retirement.
2. Understand the importance of beginning a savings plan early in life.
3. Identify the importance of discipline when it comes to financial decisions.
4. Comprehend the difference between investments and permanently depreciating assets.
5. Understand why 'paying yourself first' is a key habit.
6. Identify the difference between sources of information available to make financial decisions.
7. Understand the difference when it comes to accurate information between product advertising and a product review by a consumer advocate.
8. Evaluate the role of advertising in consumer decisions.

## Skills Objectives

Students will be better able to:

1. Plan ahead for unexpected expenses and retirement.
2. Explain how education can increase earning power.
3. Comprehend the concept that each consumer is ultimately responsible for his or her own decisions in the consumer marketplace.

## Attitude Objectives

1. Students will have confidence that they are capable of making wise decisions in the consumer marketplace.
2. Students will be more likely to accept responsibility for their decisions in the consumer marketplace.
3. Students will understand the critical importance of planning ahead for financial issues and retirement and will believe that they have the fundamental knowledge and skills to begin that planning.

4. Students will feel they have the skills necessary to evaluate the role of advertising in consumer decisions.
5. Students will gain confidence by understanding that accumulating wealth is a skill that can be learned.



## Episode 4: Classroom Warm Up

### Ask your class:

*“Does anyone here want to be a millionaire? Why would a person want to be rich? What are the advantages of having more money?”*

### Potential Teacher Talking Points:

- ✿ You don't worry about paying your bills.
- ✿ You have more freedom.
- ✿ You can help people you care about.
- ✿ You don't have to stay in a bad job.
- ✿ Have the class list reasons some people are millionaires and some are not.
- ✿ Emphasize the fact that virtually all of the reasons most self-made millionaires give for their success have to do with what they learned during their teenage years.

## Episode 4: Module Progression

To see FoolProof in action, review examples of our teaching methods below. We outline screenshots from within Module 8's Episode 4, "Me, A millionaire?" with accompanying text, to give you an idea of how students will experience specific teaching elements (e.g. Integrated videos, real life examples, quiz and repetition elements, etc.).

*What does it take to become a millionaire? And could it happen to you? These two questions introduce the video in Episode 4.*

**Me? A Millionaire?** 8.43  
Progress: 69%

million people  
in the U.S. are millionaires.

00:11 00:38

**Now You Give It A Try!** 8.48  
Progress: 70%

Tell us which statement shows "Thinking Ahead:"

- You're invited to a big road trip weekend! You've always wanted to go on one of those!
- The same weekend, you're invited to attend two morning sessions on "Investing When You're Young: Making Your Money Work For You When You're Young."

Next, tell us three reasons the investment sessions could be a smart choice:  
(140 Characters Max.)

Answer 1:  
You may learn how to make big bucks through investing.

Answer 2:  
Education enriches lives.

Answer 3:  
[Text input field]

Submit

*We ask the students about the skills it takes to potentially become a millionaire. What do you need to give up? What knowledge do you need to acquire?*



The student works thru our content, and during the entire process, we ask the student questions. This segment is example of the learning methods used through the curriculum.

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**The Second Millionaires Habit:**

We told you the second habit of millionaires at the end of the last episode, "Work Less! Make More!"

Do you remember?

- It's actually the top tip and top habit of virtually all millionaires.
- We made a big deal of this tip already...

A hint: this involves paying someone first, before you pay anyone or anything else.

Please choose the right answer:  
(PS. This is just a practice question...)

1. Millionaires-to-be always paid their loans back first.
2. Millionaires-to-be always paid their rent first.
3. Millionaires-to-be always paid their insurance first.
4. Millionaires-to-be always paid themselves first.

✓ Statement 1    Go  
Statement 2  
Statement 3  
Statement 4

8.50  
Progress: 80%

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**Show Us You Got It!**

8.52  
Progress: 82%

List three tips that would help you get in the habit of paying yourself first. We'll even give you one tip.

**Our Tip:**  
Start today. If you have any money on you, put ten percent in another pocket or another place and don't spend it. Tonight, stick that money in an envelope, and don't spend it. Do this all month. Every time you receive any money.

Now, give us three more tips on getting in the habit of paying yourself first:  
(This will get back to you on your test.)

Answer 1:  
Putting money into savings

Answer 2:  
Invest in a (roth) IRA

Answer 3:  
\_\_\_\_\_

Submit

8.52  
Progress: 82%

How would you go about making more money, and potentially becoming that millionaire? We ask the students to rethink their personal spending and saving habits.

Right or wrong questions are reinforced by asking students to elaborate on their thinking.

**Okay, How About This?** 8.55  
Progress: 85%

Smart decisions, starting with watching your own back, look like a smart thing to do. But what is a "smart" decision?

Tell us if the statements below are smart (right) or not (wrong):  
(Max 140 characters.)

**Q1. A smart decision means you read the advertisement before buying a product.**  
Right:  Because: Advertisers may not tell you the (whole) truth about their p  
Wrong:  Because: \_\_\_\_\_

**Q2. A smart decision means you read at least two or three ads before buying anything.**  
Right:  Because: Ads are biased, as they sell whatever is in their ad.  
Wrong:  Because: \_\_\_\_\_

**Q3. A smart decision means you ask the sales person, and totally believe what that person says.**  
Right:  Because: \_\_\_\_\_  
Wrong:  Because: Salespeople want to sell their product, not necessarily tell

**Q4. A smart decision means you do your homework before spending any money on anything.**  
Right:  Because: Research is power.  
Wrong:  Because: \_\_\_\_\_

**Q5. Doing your homework means you do serious research before**

**What's The Smart Choice?** 8.57  
Progress: 89%

Tell us which statement shows "the smartest choice".

**You want to get a new phone, and don't know if you should spend the extra money to get a smart phone with lots of features or a plain phone.**

- You read up on the differences in the two phones at a site called "The Smart Phone Manufacturers' Association."
- You read up on the differences in the two phones at a site hosted by students who have no interest at all in which phone you get.

**You're trying to decide whether to go to a two-year college to save money on your education or to a four-year university.**

- You go to the website of your local four-year university.
- You go to the website of a group that isn't related to any school, but that lists benefits and drawbacks of going to any school.
- You go to the website of a local two-year college.

**You want to know where to do your banking.**

- You go to the financial institutions' websites to choose an institution.
- You go to a website of an organization that isn't related to any financial institution to get your information.

Submit

A key lesson in all of FoolProof resources: understanding the role of the marketer in the sales process: FoolProof helps the student understand that the role of the marketer isn't to tell you the bad things about its product or service. The role of the marketer is to tell you the good things. It is the student's job to be cautious when evaluating advertising and marketing messages.



We use dynamic repetition to reinforce our messaging: students are constantly asked to show their knowledge by answering questions.

**Holy Macaroni! That's Almost It!**

8/65  
Progress: 98%

We're done with the four habits of millionaires-to-be.  
Do you remember what the habits were? Let's see...

Check the sentences that best describe the "Big Four Habits."  
And you'll see this question again in the test.

Virtually all of the 7 million millionaires in the United States:

- never had to think about tomorrow, since they knew they would be rich.
- were always thinking ahead.
- wanted their money to work for them.
- wanted to store their money under the bed.
- were looking forward to buying a lot of nice toys.
- assumed all sellers were telling the truth.
- learned how to make smart decisions by doing their homework.
- always paid their cell phone first.
- always paid themselves first.

Submit

**Okay, That's Almost It!**

Time for a last little questionnaire... But now you get to grade us!

Please answer the following 10 questions to tell FoolProof what you think about our Budgeting, Saving, and Spending Decision episodes.

These answers are not tied to your name in any way and have nothing to do with your grade, so please tell it like it is. They will not even be shown to the class.

- The Burning Money series was very valuable to me personally.  
1 2 3 4 5 6 7 8 9 10  
Not at all           Definitely
- Burning Money helped me understand the importance of maintaining good credit.  
1 2 3 4 5 6 7 8 9 10  
Not at all           Definitely
- I will be more careful about paying bills on time after finishing Burning Money.  
1 2 3 4 5 6 7 8 9 10  
Not at all           Definitely
- After finishing Burning Money I'm more likely to actually start a savings plan.  
1 2 3 4 5 6 7 8 9 10  
Not at all           Definitely
- Burning Money has helped me decide to use a budget to help me manage my money.  
1 2 3 4 5 6 7 8 9 10  
Not at all           Definitely
- I'll be a more careful shopper after finishing Burning Money.  
1 2 3 4 5 6 7 8 9 10  
Not at all           Definitely

How did we do? We ask every student to rate FoolProof's resources. How did we do? Ask your students, or get in touch for detailed student feedback.

## Module Conclusion Activity

Create a personal income and expense worksheet based on a realistic scenario.

### Set Up

Creating a budget based on actual income and expenses is the best way to avoid running up debt.

Avoiding debt and living within your income are the foundation for achieving your personal financial, educational and career goals.

### Your Project

Create a personal monthly income and expense worksheet using one of the following scenarios. As your teacher directs, create the worksheet on paper or in a computer spreadsheet such as Excel. If your monthly expenses are greater than your income, include a cover sheet where you briefly discuss how you might increase income and/or cut expenses to balance your monthly budget.

#### **Scenario 1: College student covering your own living expenses**

You are attending college. Your tuition is covered by financial aid and family contribution. However, you are responsible for your own living expenses and you live off campus. You have a part-time job where you work 20 hours a week and earn a very good hourly wage for this type of job (\$10 per hour). You are paid weekly so you will need to calculate your gross monthly income. Taxes withheld each week include \$15.30 for Social Security and Medicare and \$7.71 for Federal Income Tax. Determine what other living expenses you have for the area you live in now or for the location where you plan to attend college. A good place to start may be to research typical living expenses for a specific area. For example, you will need to rent an apartment. Can you afford to live by yourself or will you need to share with others? What is the typical rent for the size apartment you desire? What are typical costs of utilities? What other expenses do you have? Don't forget that you have to eat and transport yourself. Document your sources of average expenses.

### **Scenario 2: Worker starting your first job after completing your education**

You have completed your education and landed your first job. You are earning a typical starting salary. If you completed "Activity 3: What Job is Right for You?", use the lower figure of the average salary for the career you investigated. If you did not do Activity 3, then use a starting salary figure of \$36,000 annually. You will need to calculate your monthly gross income. Taxes withheld each month include 7.65% for Social Security and Medicare. Federal income taxes withheld will depend on your salary, but for this example withhold \$383 monthly. Determine what other living expenses you have for the area you live in now or for the location where you plan work. A good place to start may be to research typical living expenses for a specific area. For example, you will need to rent an apartment. Can you afford to live by yourself or will you need to share with others? What is the typical rent for the size apartment you desire? What are typical costs of utilities? What other expenses do you have? Don't forget that you have to eat and transport yourself. Document your sources of average expenses. See "Resources" for places to start your search.

When you have finished listing all your expenses in either scenario, total that column. If your expenses are less than your income, you are in good shape and can probably increase your savings. If your expenses are greater than your income, what strategies can you use to cut expenses? Are there ways you can earn more money? Discuss these challenges and how you might meet them in a 1-page discussion.

For many expense categories, use a search term such as "average cost of water bills for SIZE apartment in CITY or ZIPCODE" in your favorite search engine. You will often find figures you can use in local newspapers, company websites (including utility companies), real estate sites, college websites, and chambers of commerce. If you have current expenses for items such as a cell phone or car, use those.

## Conclusion

Money is a limited and perishable resource: we spend our lives trying to have enough of it, and once we've spent it, it's gone.

Money management habits built while young will have an enormous impact on the quality of students' life the minute they begin to go to college and/or begin to support themselves.

## Evaluation

Burning Money starts with a pretest to set a baseline of knowledge. The module concludes with a posttest for evaluation of knowledge gained.

After the module posttest, students will apply their acquired knowledge through a class project to be evaluated by the instructor.

The seven-day "Spending Journal Assignment" should be considered a major test in this series.

- ✿ Collect the spending journal when the "budget week" is up.
- ✿ The students' grade should be based on whether or not the students have thoroughly kept records for seven days. Very thorough record keeping is the criteria for a good grade.
- ✿ Please do NOT grade the student on their spending habits.
- ✿ At the end of episode 4, we provide a single and very thorough self-grading test that covers episodes 1 through 4.

## Glossary

<b>Budget:</b>	A money plan for a given period of time to live within one's means.
<b>Burning Money/ Money Burn:</b>	FoolProof's term for spending money. A "good" burn is getting good value and spending money on what is needed. A "bad" burn is wasting money and not getting value for the money spent.
<b>Compound Interest:</b>	Earning interest on previously earned interest thus increasing the rate of return.
<b>Credit Card:</b>	A transactional card where loans can be borrowed by one's credit limit. The cardholder (borrower) agrees to pay back the credit loan amount and additional interest.
<b>Credit Score:</b>	A number representing a person's creditworthiness based on their history using credit.
<b>Debit Card:</b>	A transactional card where the funds are withdrawn immediately. The cards are linked to a checking account or other type of deposit account.
<b>Fixed Expense:</b>	A cost or expenditure amount you can't change easily.
<b>Impulse Buying:</b>	Making a purchase based on an quick, not-thought-out whim.
<b>Variable Expense:</b>	A cost or expenditure that can change all the time.

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