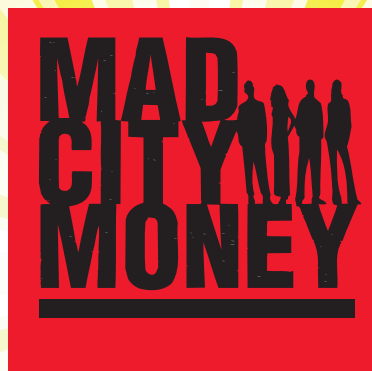


*Budgeting*  
**BASICS**



**SIMULATION**



The mission of Broadview Financial Well-Being is to guide and encourage individuals to focus on achieving economic stability—using innovative tools, making informed decisions, and encouraging positive habits.

**Broadview Financial Well-Being learning content and activities are aligned to the applicable K-12 educational learning standards: The New York State Learning Standards: Career Development and Occupational Studies; The National Standards in K-12 Personal Finance Education; and The Common Core Learning Standards; or the applicable adult learning standards: Institute for Financial Literacy: National Standards for Adult Financial Literacy Education.**

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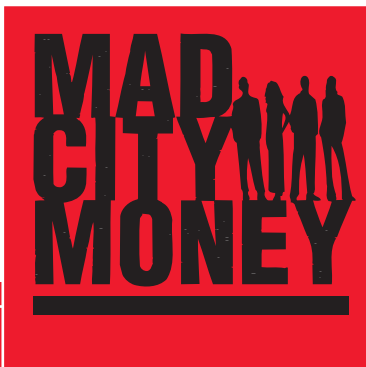
## Dear Mad City Money™ Participant:

**Welcome to Mad City Money™!** Today you will experience a highly interactive simulation where you will adopt fictitious identities that include instant families, careers, and other financial responsibilities. This experience will give you a taste of the real world—complete with occupation, salary, spouse, student loan debt, credit card debt, and medical insurance payments.

This book contains everything you will need to manage your finances:

- Checking Account Basics
- My Budget Work Sheet
- My Spending and Savings Plan
- My Debit Card Register

In this fun, comfortable environment, you will learn how to identify wants vs. needs; budget household income; balance a checkbook; and establish a savings plan. You will be asked to make decisions about spending and saving that may lead you to financial success or financial loss. You may make mistakes and “suffer the consequences” of your decisions but, through it all, you will learn to evaluate choices and manage your money effectively.

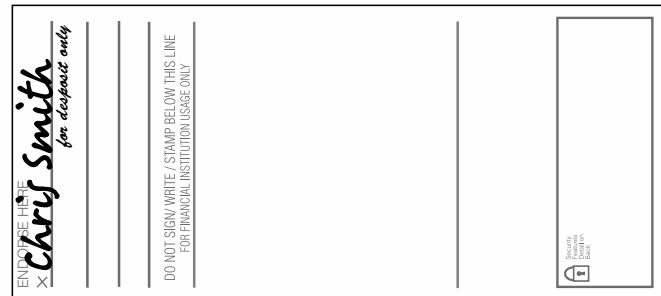
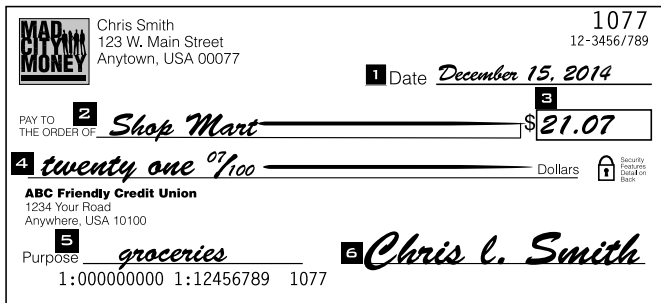




# Checking Account Basics

Whether you write checks or use a debit/check card, call it a check or a share draft, pay bills electronically or by mail, you need to keep track of the money in your account. Use these tips to reduce the possibility of making mistakes that can cost you money or make it easy for a forger to get your money.

When you deposit a check, you may not have access to the funds right away. Ask the credit union for its funds availability policy. Holds vary based on where you deposit your check (with a teller, by mail, or at an ATM), and where the check is from (the government or a local business, for example).



## How to write a check

- 1 Write in the correct date and year. Even if you enter a date several days ahead, the check can be deposited for payment right away. Avoid ink colors other than blue or black. Don't use pencil or erasable ink.
- 2 Enter the name of the person or business. Draw a line after the name to prevent a thief who could add the word "or" and his or her name. Don't make a check out to "cash" or anyone could cash it and take the money.
- 3 Print figures as close to the dollar sign as possible. This makes it hard to raise the amount—changing "\$ 25" to "\$125", for example.
- 4 Write out the amount beginning at the extreme left, and draw a line through the rest of the space.
- 5 Fill in the "purpose" line so you'll have a record of why you wrote the check.
- 6 Sign your name legibly and always in the same way. Choose a form of your name to use only when you sign checks or other important papers. For example, "Chris Smith" may use "Chris E. Smith" for a check signature.

## Using your check/debit card register

Your checking account comes with a register for you to record all transactions:

- Purchases made by check
- Purchases made by debit card
- Deposits
- Automatic transfers
- Electronic bill payment
- Withdrawals
- ATM transactions
- Any fees or penalties
- Any interest (dividends)

TRANS. TYPE/ CHECK NO.	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/ DEBIT (-)	FEES (-) IF ANY	DEPOSIT/ CREDIT (+)	\$ BALANCE
	12/15	open account			1791	1791
1076	12/15	Garden Apartments rent	612 00			612
						1179
debit	12/15	Shop Mart groceries	21 00			21
						1158
	12/17	ATM	20 00			20
						1138
	12/18	deposit paycheck			212 15	212 15
						1350 15

## How to cash a check

You must endorse—sign—a check before you can deposit it. Sign your name as close to the top of the back left side as possible. Sign it exactly as it appears on the front. If your name is misspelled, sign it correctly underneath the first endorsement.

Write in the date and amount of each transaction and add or subtract it.

Once a month you'll receive an account statement electronically or in the mail. The statement will list:

- Your account balance at the beginning and end of the month



## Checking Account Basics, *continued*

- Deposits
- Transfers
- Withdrawals
- Checks that have been cashed
- Purchases made with your debit card
- Any fees, dividends, or penalties

Checkmark each entry in your register that is listed on your statement and record any transaction listed on your statement that isn't yet in your register. The most commonly overlooked transactions are ATM withdrawals and debit card purchases.

The back of the statement usually has a reconciliation form with these steps:

- Enter the ending balance shown on the statement.
- Enter any deposits made after the ending date of the statement. Include any interest or dividends you may have received.
- Subtract the total of any checks that you wrote, debit card purchases you made, or ATM withdrawals that did not appear on your statement. Also subtract any fees or penalties.

The total should equal the amount listed in your register.

If your balance doesn't match the credit union's, double-check your math and make sure you've correctly recorded all transactions. If you're using software to keep your register, make sure you've entered the correct numbers.

If you have questions, ask your parents or someone from the credit union to teach you how to best manage your account.

### **Lose track of your account—lose money**

If you write a check or use your debit card for more money than you have in your account, that's an overdraft. Depending on your account, your financial institution may:

- Pay the amount and notify you that you owe the money—and a fee—or,
- Return the unpaid check to the person or business it was written to. This is called “bouncing” a check and it will probably cost you at least \$45 in service fees.

If you fail to balance your checking account and have several overdrafts, it will cost you a lot more than money.

In the world of financial institutions, not keeping track of your accounts is considered “mismanaging” them. Financial institutions have the right to close mismanaged accounts—and report such actions to credit bureaus. You can lose your account and hurt your credit rating, simultaneously.

This can result in higher interest rates on any loans you apply for and could even affect the approval of those loans. You can avoid all these hassles—and save money—by simply reconciling your checking account.

Some credit unions and other financial institutions offer an overdraft protection service, usually for a fee. One option automatically transfers money from your savings account to your checking account if you're overdrawn. But watch out: Because it's so convenient, you might find yourself accidentally spending your savings. Another option is an overdraft line of credit that automatically loans you money to cover overdrafts. The catch: You have to repay the money with interest. Your best defense is to always know your account balances.

### **Safety tips for your checks and debit/check card**

- Treat checks the same as cash and keep them in a safe place. Destroy any blank checks and deposit slips you won't use.
- If you lose your checks or debit/check card, notify the credit union immediately.

When you get your plastic debit/check card, you'll need to select a 4-digit special Personal Identification Number (PIN). You'll need your PIN when using an ATM and for some purchases.

- Memorize your PIN. Don't share it or write it on the card.
- Don't let others see you punch your PIN into an ATM or merchant machine.



# My Budget Work Sheet

Welcome to the Mad City Money Workshop. Name \_\_\_\_\_

**Congratulations!** You graduated, maybe got married, and landed a job. You also have goals, expenses, and bills. Now you need a budget so you'll know just how much of your hard-earned money you can spend on day-to-day living expenses and, of course, how much you can save for future needs and wants.

## Directions

- Use this work sheet to determine how much money you will allocate to each category on *My Spending & Savings Plan*.
- Go through all the Mad City merchants and make your selections.
- Remember to balance your account every time you make a selection.
- Complete *My Spending & Savings Plan*.
- **Your goal is to end up with no more than \$100 in your checking account.** That means you can't be overdrawn. It also means that any money in excess of \$100 must be put in savings or used to reduce debt.

## My Income

Use the information on your "About Me" statement to complete this section.

My take-home salary	\$
Spouse take-home salary (if married)	+
<b>Subtotal</b>	\$
Student loan payment	-
<b>Subtotal</b>	\$
Medical insurance copay	-
<b>Total monthly household income</b>	\$
(This is the amount that has been direct deposited to the Credit Union)	

## My Housing

"Really Realty & Utilities" Make a housing choice and add up the total monthly costs.

Mortgage/rent payment	\$
Electricity/heat payment	+
Water/sewer payment	+
Insurance payment (optional)	+
Phone plan/cable/Internet	+
<b>Total housing expenses</b>	\$

### My Transportation

“Big Wheels New & Used” Make transportation choices and add the total monthly cost for yourself and your spouse.

Your transportation	
Monthly payment or bus pass	\$
Car insurance	+
Gas for month	+
Vehicle repair	+
My Total	

Spouse's transportation	
Monthly payment or bus pass	\$
Car insurance	+
Gas for month	+
Vehicle repair	+
Spouse's Total	

**Total transportation expenses** \$ \_\_\_\_\_

### My Meals

“Gotta Eat!” Select the kind of food you will eat for each week. You do not need to eat the same foods all month. Include how much you will spend on drinks on-the-go and eating out.

Week 1 food	\$
Week 2 food	+
Week 3 food	+
Week 4 food	+
Eat out fast food ( ___ times per month @ ___ per time)	+
Eat out fine dining ( ___ times per month @ ___ per time)	+
Drinks on-the-go for me	+
Drinks on-the-go for spouse	+
<b>Total food expenses</b>	<b>\$</b>

### My Entertainment

“Fun Stuff” for bowling, movies, and more. Select at least 2 entertainment activities for each person age 2 or older in your household. You may select only 1 free activity per person.

Activity	Cost
	\$
	+
	+
	+
	+
	+
	+
	+
<b>Total entertainment expenses</b>	<b>\$</b>



### My Furniture & Decorations

“Home Stuff” Select the furniture and decorative items you want for your home. (Sorry, no sleeping on the floor!)

Furniture	\$
Decorative home items	+
Household needs	+
<b>Total furniture &amp; decorations expenses</b>	<b>\$</b>

### My Clothing & Personal Care

“My Closet” Select the type of clothing, and determine the type of personal care supplies and services you need for you and your spouse.

Clothing for me	\$
Clothing for spouse	+
Personal care for me	+
Personal care for spouse	+
<b>Total clothing &amp; personal care expenses</b>	<b>\$</b>

### My Children

“Kid Care” Select clothing and care for your child.

- You must purchase clothing for your child regardless of age.
- If your child is 3 years or younger, you must purchase diapers.
- Because you are working you must hire child care.
- If your child is 1 year or younger, you must also buy formula.

Clothing	\$
Diapers	+
Formula	+
Child care	+
Presents, books, toys	+
<b>Total child expenses</b>	<b>\$</b>

### Wants & Extras

“Mad City Mall” Select any number of optional special purchases you want for you and your family.

<i>Want</i>	<i>Cost</i>
	\$
	+
	+
	+
	+
	+
	+
<b>Total wants &amp; extra expenses</b>	<b>\$</b>

## Saving

Determine what you are saving for and deduct the amount you will save each month for your goal.

I'm saving for	Deposited in savings each month
	\$ _____
	+ _____
	+ _____
<b>Total allocated to savings and contributions</b>	<b>\$ _____</b>

## My Debt

Owe nothing on your credit cards? Great! Skip this section. If you owe, read on!

Enter the total amount you owe on your credit card. You **must pay more** than the minimum amount owed each month. If you can afford it, pay off the entire amount.

Total amount owed times 4% = minimum credit card payment. (Credit card debt x .04 = minimum credit card payment.)

My total debt is \$ \_\_\_\_\_

My minimum payment is \_\_\_\_\_

Extra payment over minimum + \_\_\_\_\_

**Total credit card payment \$ \_\_\_\_\_**

## Uh oh, I didn't plan for this

Life happens. You owe the Fickle Finger of Fate for two unexpected bills.

Unexpected expenses \$ \_\_\_\_\_

Unexpected expenses + \_\_\_\_\_

**Total unexpected expenses \$ \_\_\_\_\_**

## Great! An unexpected windfall

Life happens. Sometimes you get unexpected income. In Mad City, both windfalls are deposited in retirement accounts.

Windfall income \$ \_\_\_\_\_

Windfall income + \_\_\_\_\_

**Total windfall income \$ \_\_\_\_\_**

Now you can complete  
**My Spending & Savings Plan.**

Make sure you have \$100 or less  
in your checking account.



# My Spending & Savings Plan

Mad City Money Workshop  
#MadCityMoney

Name \_\_\_\_\_

<b>Monthly income</b>	
Total monthly household income (after all deductions)	\$
<b>Monthly expenses</b>	
Housing & utilities (Really Realty)	
Transportation (Big Wheels New & Used)	+
Food (Gotta Eat!)	+
Entertainment (Fun Stuff)	+
Furniture & decorations (Home Stuff)	+
Clothing & personal care (My Closet)	+
Children (Kid Care)	+
Wants (Mad City Mall)	+
Saving (The Credit Union)	+
Debt (Credit card payment)	+
Emergencies (I didn't plan for this)	+
<b>SUBTOTAL MONTHLY EXPENSES</b>	<b>\$</b>
Total monthly household income minus monthly expenses = <b>TOTAL</b> (Subtract monthly expenses from monthly income) Your goal: TOTAL should be \$100 or less.	\$
<b>Retirement Account</b> (Unexpected windfalls)	\$







# TAKEAWAYS

## After experiencing Mad City Money .....

1. How did you like the experience?

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2. Did you like your occupation? Your family?

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3. Were you able to live on your income?

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4. What did you learn about the importance of savings?

---

5. What surprised you the most?

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6. How did it feel to have to make big decisions with little information and minimal directions from the facilitator?

---

7. What can you do to make wiser choices?

---

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8. What are one or two things you will go home and tell your family or friends about money?

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9. How important do you think developing a personal budget is?

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10. Where could you get help in the future?

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11. What steps will you take to develop a personal budget?

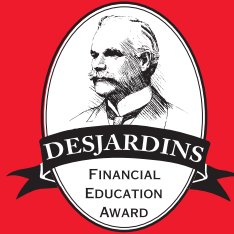
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Broadview FCU is the recipient of both the national and statewide 2018 Desjardins Youth Financial Education Award (more than \$1 billion asset category).



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