

DON'T BE THAT GUY... (OR THAT GIRL)

Financial Literacy Curriculum to
Complement the H&R Block Budget Challenge



FREE
CLASSROOM
POSTER

INSIDE YOU'LL FIND

LESSON PLANS for grades 9-12,
aligned with national standards in
financial literacy, English and math

STUDENT
ACTIVITY
SHEETS

TIPS FOR INTEGRATING
THE H&R BLOCK
BUDGET CHALLENGE
into your classroom



DEAR EDUCATOR,

Thank you for bringing personal finance lessons to your students. This curriculum complements the H&R Block Budget Challenge and should help bring the simulation to life in your classroom.

Inside, you'll find a range of classroom materials designed to build excitement for the H&R Block Budget Challenge and to support teaching key financial concepts, including:

BUDGETING • UNDERSTANDING YOUR PAYCHECK
W2S AND TAXES • 401(k) • INSURANCE • SAVINGS

All of the lessons and activities connect to teens' real lives, encourage hands-on exploration of important financial topics and align with national standards in financial literacy, English and math (see page 8 for more info).

We hope you enjoy these materials and your participation in the H&R Block Budget Challenge. If you have questions or need additional support, please visit www.hrblockbudgetchallenge.com or www.HRBDS.org. Together, we can give students the knowledge and confidence to manage their own financial future!

Sincerely,
Your Friends at H&R Block Budget Challenge



WIN MONEY FOR YOUR CLASSROOM

Did you know by playing the H&R Block Budget Challenge you and your students could win:

- \$2,500** Classroom Grant (30 Winners)
- \$5,000** Classroom Grant (30 Winners)
- \$20,000** Student Scholarship (132 Winners)
- \$100,000** Student Scholarship (1 Winner)

Additional student prizes, including gift cards worth up to \$500

ABOUT THE H&R BLOCK BUDGET CHALLENGE

The H&R Block Budget Challenge is a personal finance competition modeled on real-world scenarios. The challenge is completed in real-time with each day in the simulation equaling one day in real life. This learn-by-doing approach encourages students to practice real-life money management skills in a safe and interactive environment that represents authentic decisions.

HOW TO PLAY

THE H&R BLOCK BUDGET CHALLENGE IN 5 EASY STEPS

- **Using your class registration code**, invite students to register at www.hrblockbudgetchallenge.com
- **Teach Lesson No. 1:** Don't Be the Guy Who Makes His Roommates Pay for His Kiddie Cereal. Display the classroom poster for students' reference.
- **Have students register, confirm their email accounts** and make their vendor selections at www.hrblockbudgetchallenge.com.
- **Integrate the other lessons** and activities included in these materials and utilize resources available at the H&R Block Budget Challenge website, as needed.
- **Compete** to make the best financial decisions for the chance to win prizes.

GETTING STARTED

LESSON INSTRUCTIONS

DON'T BE THAT GUY WHO MAKES HIS ROOMMATES PAY FOR HIS KIDDIE CEREAL



TOPIC: BUDGETING

WHAT TO DO:

- Display the poster and share the illustrated scenario. Distribute sticky notes and ask students to record items they think they should budget for that are not reflected on the classroom poster. Add the sticky notes to the poster.
- Introduce the idea that a budget is a document that shows how much money you earn (income) and how you spend it (expenses). Ask students to organize the sticky notes into income and expense categories.
- Explain a budget includes both fixed and flexible items. Ask students if they know the difference and explain that fixed is the same each month, while flexible items vary. Challenge students to re-categorize their sticky

notes into fixed and flexible columns.

- Analyze the outcome of the budget on the poster front and discuss the differences between categories. For example:

- Why is transportation both a fixed and flexible expense? (*Some items like a car payment are the same each month, while repairs and gas costs vary.*)
- Why should you include savings as an expense? (*Paying yourself first ensures you can cover emergencies.*)
- What categories can you adjust or control in a budget? (*While some fixed expenses can be negotiated, like opting for a less expensive phone plan, flexible expenses*

offer the greatest range of decision-making. For example, if you overspend on electronics, you can reduce your expenses by waiting to make purchases until you have enough money.)

- Distribute copies of Lesson No. 1 Student Activity and ask students to think through their own income and expenses. Allow students time to complete the student activity individually or in small groups or assign as a take-home project.
- Ask students to share their reflections from the student activity. Discuss how budgets evolve over time and how decision-making influences our budgets – and can increase or decrease our financial stress.

clothes

transportation

food

emergencies

car payment

Phone

LESSON #1:
STUDENT
ACTIVITY

DON'T BE THAT GUY WHO MAKES HIS
ROOMMATES PAY FOR HIS KIDDIE CEREAL

No one wants to be the guy who makes his roommates pay for his kiddie cereal. Making a budget can help you be smart with your money. Use the chart below to fill in your income and expenses then use categories to analyze your cash flow.

INCOME	Fixed		Flexible	
	Source	Amount	Amount	Source
EXPENSES	Fixed		Flexible	
	Item	Amount	Item	Amount
	Savings (Pay Yourself First!)		Groceries/Food	
	Utilities (Internet, Cell Phone Bill)		Gifts/Holidays	
	Transportation (Bus Pass, Car Payment, Car Insurance)		Personal Items (Haircuts, Clothes/Shoes, Electronics)	
			Transportation (Repairs, Gas)	
			Entertainment (Eating Out, Movies, Concerts)	
TOTALS	Total Fixed Expenses:		Total Flexible Expenses:	

BUDGET BREAKDOWN: Questions to Consider

- In which categories are you spending the most money?
- How much money do you save? Can you save more?
- How will your budget change when you graduate? What new categories will you need to add to your budget?
- When you budget money for one category, you have less for another. This is called a trade-off. What trade-offs have you made with money?
- Did you consider retirement and budgeting for your future self?
- How do your personal decisions influence your budget?

LESSON
INSTRUCTIONS

LESSON #2:
DON'T BE THAT GIRL WHO
SPENDS HER PAYCHECK
WITHOUT UNDERSTANDING
HER INCOME

TOPIC: READING A PAYCHECK

WHAT TO DO:

- Open the lesson by asking, "If you get a job that pays \$500 a week, does that mean you take home \$500? Why or why not?" Discuss students' ideas and predict how much money will be remaining for "take home pay" after deductions.
- Distribute the Lesson No. 2 Student Activity and provide students time to review the sample paycheck. As a class, discuss the various deductions and the difference between gross and net income, referring to the Student Glossary as needed.
- Once students understand the different paycheck components, challenge small groups to answer Mariya's questions on the Lesson No. 2 Student Activity.
- Have groups share their answers to Mariya's questions and use student responses to emphasize the following: we can control some deductions, such as 401(k) contributions, but others, such as federal and state taxes, are required and paid by everyone who works.

5. Close the lesson by asking students how they will apply this knowledge to the Budget Challenge. Ask students: What deduction choices will you make in the Budget Challenge and why? How much will you devote to savings and a 401(k)?

LESSON #3:
DON'T BE THAT GUY WHO
DOESN'T UNDERSTAND HIS
TAXES

TOPIC: UNDERSTANDING TAXES

WHAT TO DO:

- Open by asking what students know about taxes. What types of taxes do we pay? (*Federal, state and city income tax; Social Security, Medicare.*) Why do we pay taxes? (*Taxes help support city, state and national public services.*) How do we pay taxes? (*They are deducted from our paychecks and we must file a tax return every year.*)
- Share the Lesson No. 2 Student Activity sheet and review the deductions on Mariya's paycheck, referring to the Student Glossary as needed.
- Next, explain that when you start a new job, you will be asked to fill out a W-4, which gives employers information to calculate deductions from future paychecks. Show students a sample W-4 (found on www.IRS.gov).
- Explain that employers track your earnings and deductions all year long. In January of the following year, your employer will send you a W-2, stating how much you earned and how much was withheld for taxes. Share a sample W-2 from www.IRS.gov.
- Distribute the Lesson No. 3 Student Activity sheet and provide students time to complete the game. When the game is complete, invite students to share their answers.



LESSON #2:
STUDENT
ACTIVITY

DON'T BE THAT GIRL WHO SPENDS HER
PAYCHECK WITHOUT UNDERSTANDING HER INCOME

Mariya is a 23-year-old college graduate who just accepted her first job as a medical assistant. She earns \$25 an hour and works 30 hours each week. Mariya plans to make a \$1,500 deposit on an apartment in two weeks. Can she do it? Why or why not?

HELP MARIYA OUT.

Here's What She's Wondering:

- Why is my net income less than my gross income?
- How does my employer calculate my net income?
- What can I do with my deductions to save more money for the future?
- When will I be able to afford the \$1,500 deposit on my apartment?

Mariya Suarez				Pay Period: 8/1/14 to 8/15/14		Deduction Information:	
Earnings							
Hours	Rate	This Period	YTD				
60	\$25	\$1,500.00	\$1,500.00			Federal Income Tax:	\$194.57
						Michigan State Income Tax:	\$63.75
						Southville City Income Tax:	\$15.00
						Medicare Tax:	\$21.75
						Social Security Tax:	\$93.00
						401(k):	\$15.00
						Savings:	\$0.00
						Net Income:	\$1,096.93

ABC MEDICAL, INC.

THIS IS A CHECK
Sign Reverse for Redemption

No. 120792

DATE: : 8/1/14 to 8/15/14

***** One thousand ninety-six dollars and 93 cents *****

PAY TO THE ORDER OF

MARIYA SUAREZ
599 THOMPSON BLVD.,
SOUTHVILLE, MI 95201

M.P.

00123454782: 54362000: 00076

LESSON #3:
STUDENT
ACTIVITY

DON'T BE THAT GUY WHO DOESN'T
UNDERSTAND HIS TAXES

HOW TO PLAY: Travel around the classroom and ask fellow students their answers to the questions on the board below. Record your peers' answers and names in each box, and shout "Bingo!" when you've filled in all of your boxes.

PLAY TAX BINGO!

What is Social Security?	What is Medicare?	What is Federal Income Tax?
What is State Income Tax?	What is City Income Tax?	How is Federal IncomeTax money used? (Give 3 examples.)
How is State Income Tax money used? (Give 3 examples.)	How is City Income Tax money used? (Give 3 examples.)	What is the purpose of a W-4?
What is the purpose of a W-2?	How do you get a W-2?	When do you get a W-2?

CORRELATIONS
TO NATIONAL
STANDARDS

Benchmark	H&R Block Budget Challenge Simulation	Lesson 1	Lesson 2	Lesson 3	Lesson 4	Lesson 5	Lesson 6	Lesson 7
COMMON CORE STATE STANDARDS: ENGLISH LANGUAGE ARTS								
RI.9-10.4; RI.11-12.4	X	X	X	X	X	X	X	X
SL.9-10.1; SL.11-12.1		X	X	X	X	X	X	X
SL.9-10.4; SL.11-12.4					X			
L.9-10.4; L.9-10.6; L.11-12.4; L.11-12.6	X	X	X	X	X	X	X	X
W.9-10.7; W.9- 10.8; W.9-10.9; W.11-12.7; W.11- 12.8; W.11-12.9						X		
COMMON CORE STATE STANDARDS: MATHEMATICS								
HSS.ID.A.1	X	X	X	X	X			
HSS.ID.A.1	X	X	X		X			
HSS.ID.A.1	X	X	X		X			
HSS.ID.A.1	X							
HSS.ID.A.1	X							
HSS.ID.A.1	X				X			
HSS.ID.A.1	X	X	X		X			
HSS.ID.A.1	X	X	X					
HSS.ID.A.1	X							
HSS.CPA.5	X				X			
HSS.CPA.5	X				X			
COUNCIL FOR ECONOMIC EDUCATION NATIONAL STANDARDS FOR FINANCIAL LITERACY								
I. Earning Income	X		X	X	X		X	
II. Buying Goods and Services	X	X						X
III. Saving		X			X		X	
IV. Using Credit	X							X
V. Financial Investing	X							
VI. Protecting and Insuring	X					X		



H&R BLOCK®
BUDGET CHALLENGE®