

M&M BUDGETING

Subject: Budgeting

Grade Level: 6-12

Time: 20-30 minutes

Materials:

- 20 M&Ms per student or group
- 1 copy of M&M Budgeting Activity Sheet on pages 2 and 3
- Optional: If you do not have access to M&Ms, you can use the generic Build-a-Budget Activity sheet on page 4 and 5 and any sort of marker you like (pieces of paper, beans, pennies, etc.)

PREPARATION

Before using this activity, you may want to separate the M&Ms into bags since this makes passing them out faster during the activity. When printing the M&M Budgeting Activity Sheet, you will want to print single sided.

INSTRUCTIONS

1. Pass out the M&M Budgeting Activity Sheets, 1 per student or 1 per group. Go over the instructions at the top of the page. Make sure they understand that they will need to “buy” one item in each box on the first page. The second page is optional. They must use all of their M&Ms to have a balanced budget.

Common Student Questions:

- **Do the M&M colors have to coordinate with the color of the box?** No, you can use any color M&M in any box.
- **Can I buy more than one item in each box?** Yes.
- **Do I have to buy one item from every box?** Yes, on the first page but the second page contains optional expenses. You are not required to buy an item from every box on the second page.

2. Once students have created their budgets, ask them a few questions about their process such as:

- Did you feel like you had enough M&Ms to purchase everything you wanted?
- What did you have to give up?
- What did you purchase first? Why?
- Did you use any for saving, insurance or retirement? Why or why not?

3. After the discussion, explain one of the scenarios below, have them adjust their budget accordingly, and discuss why they made the choices they did. You may want to do more than one if you have time. Students “pay” for each expense by eating the appropriate number of M&Ms.

Scenario 1: You broke your leg and have to go to the emergency room! You must pay:

| | |
|--------|---|
| 4 M&Ms | No coverage/Catastrophic |
| 2 M&Ms | Basic Health |
| 0 M&Ms | Comprehensive with disability insurance |

Scenario 2: Your grandmother has fallen ill and you need to buy a plane ticket to go visit her. Everyone must pay 3 M&Ms for their flight.

Scenario 3: Someone runs into your car and damages it. You must take it to the auto body shop to get it fixed. Pay:

| | |
|--------|--|
| 4 M&Ms | Liability Only* |
| 1 M&M | Complete Coverage |
| 0 M&Ms | Walk, bike or take public transportation |

*This is a good opportunity to explain that although liability coverage is usually the cheapest, it only covers the other person if you are at fault in an accident. It does not cover damages to your car.

4. After students have gone through the scenario(s), wrap up by having them discuss how these unexpected expenses affected their budget and why they made the decisions they did. Also, have the students brainstorm strategies for planning for unexpected expenses such as saving and insurance.

For other great budgeting resources, including our full **Budget Like a Boss** class, please visit www.roguecu.org/learn.

M&M BUDGETING ACTIVITY

Can you live on a 20 M&M salary? Below there are different categories of expenses. The cost of each expense is represented by boxes. You must place one M&M per box to pay for that item. The categories on this page are REQUIRED, the categories of the next page are OPTIONAL. You must use all of your M&Ms to have a balanced budget.

Required Expenses

Housing with Utilities

- Live with family sharing cost of utilities (phone not included)
- Share apartment with roommates (phone not included)
- Rent your own place (phone not included)

Furnishings

- Borrow from friends/family No Cost
- Furnished apartment
- Buy used
- Buy new

Transportation

- Walk or bike No Cost
- Public transportation
- Gas for family car
- Used car + gas
- New car + gas

Food

- Cook all meals at home
- Buy most lunches and one dinner out per week
- All meals away from home

Clothing & Laundry

- Buy used
- Buy at a Department Store
- Buy designer clothes
- Wear current wardrobe No Cost
- Do laundry at parent's house No Cost
- Laundromat
- Buy washer and dryer

Optional Expenses

Personal Care



Basics: shampoo, soap, toothpaste, ect.

Occasional professional haircuts + the basics

Regular styling, beauty services, brand name basic products

Savings



Spare change jar

Free

Retirement

5% of monthly income

10% of monthly income

Gifts



Charitable donations

Make your own

Frequent gifts for friends and family

Recreation



Hiking, reading, visiting friends

No Cost

TV, snacks, go to the movies

Fishing, hunting, hobbies

Concerts, vacations, sporting events

Communication



Home phone

High Speed Internet

Pay as you go phone with emergency only minutes

Cell phone (no data)

Newest phone with unlimited data

Insurance



AUTO

Liability only (required if you have a car)

Complete coverage

HEALTH

No coverage

Catastrophic (deductible \$10K)

Basic Health (no vision, dental, Rx)

Vision

Dental

Prescription coverage

Comprehensive with disability insurance

Renter's

Property and liability

BUILD-A-BUDGET ACTIVITY

Can you live on a budget? Below there are different categories of expenses. The cost of each expense is represented by boxes. You must check off or place one marker per box to pay for that item. The categories on this page are **REQUIRED**, the categories of the next page are **OPTIONAL**. You must use all of your check marks or markers to have a balanced budget.

Required Expenses

Housing with Utilities

| | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Live with family sharing cost of utilities (phone not included) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Share apartment with roommates (phone not included) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Rent your own place (phone not included) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Furnishings

| | | | | |
|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Borrow from friends/family | No Cost | | | |
| Furnished apartment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Buy used | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Buy new | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Transportation

| | | | | |
|-----------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Walk or bike | No Cost | | | |
| Public transportation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Gas for family car | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Used car + gas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| New car + gas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Food

| | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Cook all meals at home | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Buy most lunches and one dinner out per week | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| All meals away from home | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Clothing & Laundry

| | | | | |
|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Buy used | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Buy at a Department Store | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Buy designer clothes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Wear current wardrobe | No Cost | | | |
| Do laundry at parent's house | No Cost | | | |
| Laundromat | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Buy washer and dryer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Optional Expenses

Personal Care

- Basics: shampoo, soap, toothpaste, ect.
- Occasional professional haircuts + the basics
- Regular styling, beauty services, brand name basic products

Savings

- Spare change jar Free
- Retirement
- 5% of monthly income
- 10% of monthly income

Gifts

- Charitable donations
- Make your own
- Frequent gifts for friends and family

Recreation

- Hiking, reading, visiting friends No Cost
- TV, snacks, go to the movies
- Fishing, hunting, hobbies
- Concerts, vacations, sporting events

Communication

- Home phone
- High Speed Internet
- Pay as you go phone with emergency only minutes
- Cell phone (no data)
- Newest phone with unlimited data

Insurance

- AUTO**
- Liability only (required if you have a car)
- Complete coverage
- HEALTH**
- No coverage
- Catastrophic (deductible \$10K)
- Basic Health (no vision, dental, Rx)
- Vision
- Dental
- Prescription coverage
- Comprehensive with disability insurance
- Renter's**
- Property and liability