

Personal Finance Education Curriculum for 18-35 year olds

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For use in conjunction with *Twenties in Your Pocket: A twenty-something's guide to money management*, by Kate Nixon Anania

Available on [Amazon](#).

Debt Game for use in Class 5

Handout for *Twenties in Your Pocket* class 5: Debt, (two sided)

Directions: Pick one of the following options for each category. Be aware that some of these options might have benefits in the long term, and some of them might not.

Education:

1. Ivy league education without scholarships. \$120k at 5% interest.
2. State university education without scholarships: \$35k at 5% interest.
3. Technical school to be a dental technician: \$9k at 6% interest.
4. Technical school to be a dental hygienist: \$9k at 6% interest.

Transportation:

1. New, hot car. \$30k at 3% interest.
2. Used, reliable, unattractive car. \$12k at 4% interest.
3. Used clunker. \$3k at 5% interest.

Housing:

1. Own a big house. \$250k at 5% interest.
2. Own a small condo that you will have to move away from when you have a family. \$150k at 5% interest.

Credit cards from buying stuff:

1. Store card that gave you 20% off one time: \$5000 at 23% interest.
2. Rewards card: \$7000 at 17%.
3. Bank credit card: \$600 at 20%.

Vacation debt:

1. Cruise to Mexico: \$6000 at 11%
2. Road trip: \$800 at 16%
3. Flight to visit family: \$400 at 18%

Amount you have to spend on repaying debts each month: _____ number of beans
(each worth \$100)

Directions:

Fill out this worksheet with your debt choices and distribute beans to pay off your debts.

Each bean is worth \$100.

Everyone should start with 20 beans.

You must pay at least 1 bean in each “minimum payment” category.

What is this debt for?	How many beans do I owe?	Interest rate?	Minimum payment (put one bean here)	Amount I will pay each month (distribute your beans)
Totals				

Follow up questions:

1. Were you able to pay off your debts with the numbers of beans you had, or will you still owe money?
2. What would you have done differently if you knew how much things would cost or what the long term financial benefits would be?

INSTRUCTOR SHEET:

Directions: once the class has chosen their debts (page 1), read the section in bold for each option.

Education:

1. Ivy league education without scholarships. \$120k at 5% interest. **You owe \$1300 each month but your education means you got a great job and you now earn \$700 more. Collect 7 beans if you chose this option.**
2. State university education without scholarships: \$35k at 5% interest. **You owe \$400 each month.**
3. Technical school to be a dental technician: \$9k at 6% interest. **You owe \$100 each month.**
4. Technical school to be a dental hygienist: \$9k at 6% interest. You owe \$100 each month. **You stumbled into a high paying jobs you can get with a two year degree, you now earn \$200 more. Collect 2 beans if you chose this option. (Note: dental hygienists make about \$74k per year with an associate degree and it is an in-demand field).**

Transportation:

1. New, hot car. \$30k at 3% interest. **You owe \$400 per month.**
2. Used, reliable car. \$12k at 4% interest. **You owe \$200 per month.**
3. Used clunker. \$3k at 5% interest. **You owe \$100 per month. Your unreliable clunker means that you miss a lot of work and have to pay a lot for repairs, so it ends up costing you an extra \$200 per month. You lose 2 beans.**

Housing:

1. Own a big house. \$250k at 5% interest. **You will owe \$1400 each month.**
2. Own a small condo that you will have to move away from when you have a family. \$150k at 5% interest. **You'll owe \$800 each month.**

Credit cards from buying stuff:

1. Store card that gave you 20% off one time: \$5000 at 23% interest. **You owe \$300 a month.**
2. Rewards card: \$7000 at 17%. **You owe \$300 a month.**
3. Bank credit card: \$6000 at 20%. **You owe \$300 a month.**

Note to the class: these three amounts are pretty different (\$5000 vs \$7000) but the monthly payments are the same. Why is that? Why is it important to pay attention to interest rates?

Vacation debt:

1. Cruise to Mexico: \$6000 at 11%. **You owe \$300 a month.**
2. Road trip: \$800 at 16%. **You owe \$100 a month.**