



OFFICE OF
**ECONOMIC
EMPOWERMENT**

Office of the Treasurer and Receiver General of Massachusetts

CREDIT FOR LIFE SCHOOL TOOLKIT

**A GUIDE TO HOSTING A HIGH SCHOOL FINANCIAL
EDUCATION WORKSHOP**

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Executive Summary

The Credit for Life Fairs have become a well-loved tradition for Massachusetts high school students since the first fair was hosted in 2000 at the Brockton Housing Partnership for Brockton High School students. Now, we have helped educate over 50,000 students across the Commonwealth in financial literacy. Massachusetts public and charter schools are now able to apply for a grant to fund their fair from the Office of the State Treasurer and Receiver General. The program's funding comes from the Massachusetts Financial Education Innovation Grant in partnership with the Division of Banks (DOB). Thanks to DOB's commitment to financial literacy, even more schools from all areas of Massachusetts can participate in educating students in the financial skills they need to be successful.

Within this toolkit you'll find resources on how to run a successful fair, including implementation plans, private entity and nonprofit partnership recruitment suggestions, along with content ideas that students can engage in, like potential careers and booth concepts. This toolkit also contains sample worksheets for students to use during the fairs and instructions on how to prepare students for participation. All the content within the toolkit comes from tried-and-true techniques from other schools that have held successful fairs in the past.

The Treasury and the Office of Economic Empowerment wish you the best of luck as you take the steps to educate your students in real world decision making of saving, spending, and budgeting!

History

Financial Education Fairs have been taking place throughout Massachusetts for over two decades. The Brockton Housing Partnership and HarborOne Bank (Formerly HarborOne Credit Union) coordinate one of the longest running fairs in the Commonwealth. This group acknowledges Consumer Credit Counseling of Southern New England (now Money Management International, Inc.) with introducing them to the fair concept.

Since 2009, HarborOne Credit Union has carried the philosophy of sharing the fair model and hosts an annual “best practices” meeting for credit unions, banks, schools, and non-profits. This event imparts valuable tips on how to run a successful fair. It has also been instrumental in motivating the formation of fairs in new communities across Massachusetts.

In 2015, State Treasurer Deborah B. Goldberg partnered with the Division of Banks to expand this opportunity by helping interested schools offer these fairs. Now, schools can apply for the Financial Education Innovation Grant to offer these critical Credit for Life Fairs to their students.

Goals

The purpose of the fair has remained the same since its inception: creating a fun, interactive simulation of saving, spending, and budgeting in the shoes of an adult, based on career choices and lifestyle decisions. A youth financial education fair should engage students in the various levels of financial decision-making that they will face in their mid-20s. Every student will choose their own hypothetical path and will have to succeed in their unique scenario. These paths can include working as a young professional with student loans, serving in the military with limited housing costs, or even attending law school and living at home with parents. Students will face difficult decisions while managing a budget and maintaining a balance between future needs and wants.

The broader goal of all fairs is to empower students to be proactive about their financial futures by beginning to develop solid personal finance habits now. These fairs achieve this by increasing students’ **awareness, interest, experience, and skills.**

According to a 2008 study conducted by the University of Wisconsin-Extension¹, 97% of student participants in a financial education fair experienced an increase of confidence in financial management and the majority of these participants planned to continue to track their spending.

¹ University of Wisconsin-Extension, Cooperative Extension (2008). Program evaluation report: Youth financial education. Madison, WI: UW-Extension, Program Development and Evaluation. <http://www.uwex.edu/ces/pdande/evaluation/evalstudies.html>

Outcomes of a Fair

The most important outcome of a youth financial education fair is that students begin to ascertain the following financial literacy skill set:

- Find, evaluate, and apply financial information
- Set financial goals and plan to achieve them
- Develop income-earning potential and the ability to save
- Use financial services effectively
- Meet financial obligations
- Build and protect wealth

Don't reinvent the wheel!

Most Massachusetts-based fairs have been run by a financial institution, a teacher/administrator, or combination of both. The fair is a simulation that requires the student participants to imagine they are in their mid-twenties and making daily financial decisions.

A standard fair is approximately three hours long. This includes a brief orientation, questions about the program, a couple of hours to visit vendor booths, and a wrap-up discussion. Vendor booths are tables with volunteers and are labeled according to the expense categories such as: food, housing, transportation, utilities, luxuries, and more. The students pick up career profiles and spending plans at the registration booth. Their career selection will determine their education requirements and monthly income. Career selection can be presented as a classroom or guidance activity prior to career day or chosen upon arrival at the fair. With materials in hand, students begin the interactive component of the fair by visiting every booth. At each booth, they must decide how to use their income without living beyond their means.

Every vendor booth has a booth captain who is responsible for organizing booth volunteers to ensure their station operates efficiently and effectively. Booth volunteers relay to the students the product or service that is offered at their given booth, often trying to entice students into overspending. Additionally, when students are faltering or need guidance throughout the fair, reminder announcements can encourage them to visit the Credit Counseling booth for trusted guidance. After visiting all the vendor booths, students must visit the Credit Counseling booth one final time. At this time, volunteer credit counselors discuss the good decisions and missteps that students made along the way. Lastly, a moderator addresses the students and volunteers as a group to summarize their experience through discussion.

Fair evaluations – After the conclusion of the fair, the Office of Economic Empowerment will send out a survey for both students and faculty to give their thoughts on how the event went.

10 Steps to Plan & Execute the Fair

1. Form a Planning Committee
2. Determine Date & Location
3. Volunteer Recruitment
4. Prepare Students & Faculty
5. Fundraising for the Fair
6. Plan Outreach Strategy
7. Planning Career Profiles & Spending Plans
8. Confirm Arrangements
9. Promote the Fair
10. Survey & Review to Plan for Future Fairs

Fair Outline for Students

| | |
|----------------------|---|
| Introduction | You will use the spending plan as a roadmap to navigate the various booths at the Financial Education Fair. This spending plan is used during the fair but may also be used by teachers for learning and education in the classroom. Your teachers will give you further instructions about the spending plan during the fair. The information below will assist you with the Spending Plan. All booths must be visited during the fair. |
| Income Information | The gross monthly salary minus monthly deductions will equal net monthly income (take home pay). |
| Gross Monthly Salary | Federal tax: part of your paycheck goes to pay federal tax. State tax: part of your paycheck goes to pay state tax. Social Security: part of your paycheck goes to pay social security, which will be repaid to you when you are a senior citizen. |
| | Part-time job candidates successfully completing the interviewing process will have additional income added to the spending plan in other monthly income and will be provided the new Net Monthly Income amount. |
| Spending Plan Detail | Visit each booth listed in the booth category. Booth representatives/volunteers will present options and the following decisions will be made based on the information provided at the booth: |
| | <p>Student Options:</p> <ul style="list-style-type: none"> • Make a selection at each of the booths and record it in your Checking Amount. The options will be explained clearly at each booth (I.e., the Housing Booth will provide different living options and expenses). • Decide if the expense will be paid by cash (net monthly income recorded in your checking account), credit card, or your savings account. • Record the expense in the correct column in your checking account. If the expense is from savings, please record the expense in your savings account. • Have the booth volunteer initial your spending plan. • Continue until all the booths have been visited. • Be sure to frequently visit the Credit Counseling Booth. Before proceeding to the Credit Counseling Booth be sure to have a subtotal in each payment choice column. |

Booth Descriptions

The following booth descriptions explain the transactions that take place at each booth. Each activity aligns to the National Jump\$tart Standards in K-12 Financial Education (www.jumpstart.org). These standards describe what personal finance instruction should enable students to know and do. The standards fall into 6 major categories of personal finance with a focus on overall competency.

1. Income and Careers
2. Financial Responsibility and Decision-Making
3. Planning and Money Management
4. Credit and Debt
5. Risk Management and Insurance
6. Saving and Investing

Income and Career Booths

Use a career plan to develop personal income potential.

Registration: This booth checks in the students and gives them materials for the fair, including their career profile, spending plan, and possibly their credit score. This booth is located at the entrance to the fair and can also be used for career counseling to help students change occupations if they desire or find a part time job to supplement their income.

Education: This booth explains the college loan payment based on their selected career path. Volunteers explain to students how much they will need in student loans and what major they would need to enroll in. A great resource to share at this booth is available through Massachusetts Educational Financing Authority, MEFA, called Your Plan for the Future. <https://www.mefa.org/>

Career Counseling: This booth provides occupational profiles and higher education advice relative to the students' chosen profession. It provides students with information on interviewing tips and dress-for-success tips. They can also get interviewed for a part time job. The career counselor will interview them and determine if they are qualified. Usually only a few part time jobs are offered.

Financial Responsibility and Decision-Making Booths

Apply reliable information and systemic decision making to personal financial decisions.

All Booths: This category pertains to the overall fair experience and the transactions made at every booth. Students must make consumer driven decisions based on the information at hand, their individual values, and their financial knowledge.

Planning and Money Management Booths

Organize and plan personal finances and use a budget to manage cash flow.

Housing: Students choose what size apartment or house they want to live in. Booth volunteers will present the various housing options and how much they will cost in the short term and long term. If students wish to own a home, they must receive a mortgage from the lending booth. Students will have to account for utility costs and choose a television, internet, and, if desired, a phone plan. If renting, some apartments could come furnished and must be built into the price.

Furniture: This booth presents various quality and cost of furniture brands ranging from luxury to items found at a yard sale. Some apartments may come furnished.

Health/Nutrition: Helps students create a food budget and choose health insurance. This booth presents the costs of the health insurance provided by the student's employer or how much a private insurance plan would cost. They also help students establish a grocery budget and dining out budget. An additional factor could be whether the students are going to exercise at a home gym, purchasing the equipment, exercising at an actual gym, or utilizing free ways of exercise.

Clothing: This booth can require students to purchase both a professional and casual wardrobe. Volunteers will offer pricing for students on clothing they would need for their occupation and help them choose what clothes to purchase that fit in their budget.

This booth can be used to teach students about smart shopping ideas, like coupon use and discretionary spending.

Transportation: Present transportation options for the students ranging from the costs of public transportation to selling them a new or used car. Volunteers explain to students the costs of owning or leasing a car versus the costs of public transportation, helping the students determine which mode of transportation is wise based on their proximity to their job and the amount of available funds they have. Volunteers at this booth will also help students calculate additional expenses like maintenance, gas, and insurance. A great stipulation for this booth is that an emergency professional that could be on call cannot choose to "take the bus" for it is not conducive to the career choice.

Reality Check: This booth stimulates unexpected events that can lead to major financial consequences or a sudden cash windfall. The objective of this booth is to prepare students for how to handle these situations and likely appreciate the importance of having an emergency fund. In addition, it presents the challenge directing a cash windfall to one's savings, investments, debt obligations, or perhaps choosing to purchase a new luxury item.

Charity/Community Service: This booth offers a community service activity such as writing thank-you letters to military service members and/or the option to donate a portion of their income to a charity.

Luxury: Students are offered luxury items or “wants” that could be mistaken by students for “needs”. This is a great booth for creativity but expensive cell phones, electronics, beauty products, and vacations are a great place to start.

- **Cell phone:** Assess the student's need for a cell phone and what type of phone is recommended. For students without a landline in their home, a cell phone will be a necessity. Booth volunteers will go over phone plans and help the student decide whether they need a smartphone or a pay as you go basic phone.
- **Beauty:** This component helps students assess how often they need to get their haircut and how often they will need to purchase new cosmetics.
- **Electronics:** Students will choose what kind of TV and computer they want, as well as other electronics like video games, sound systems, etc. They also might choose what streaming services or cable options (along with Spotify or Apple Music) they might like.
- **Vacations/Entertainment:** Students will assess what costs are associated with their social lives, such as vacationing and nightlife.

Credit & Lending Booths

Maintain creditworthiness, borrow at favorable terms, and manage debt.

Credit/Lending: Provides loans to students. The booth functions like a typical lender. Volunteers will help students figure out what type of loan they need and present them the terms, which the students can either accept or reject. They explain credit scores and the consequences of bad credit scores, which is a key component of the fair. They also help students understand how they would have to pay back their loans. Students can sign up for credit cards at this booth as well.

Credit Counseling: This booth assists students with filling-out their spending plans. Students can consult with the counselors on their spending plan, helping them cut costs and determine what kind of borrowing they may need. Booth volunteers will do a final assessment of the student's spending plan after the student has completed each booth.

Please note students should come to this booth with a completed spending plan at the end.

Saving and Investing Booths

Implement a diversified investment strategy that is compatible with personal goals.

Saving and Investing: Helps students plan for retirement and manage a financial portfolio. Students will choose how to invest their savings with the advice of a booth volunteer, who is typically a financial employee with knowledge of savings and investment.

Risk Management and Insurance Booths

Use appropriate and cost-effective risk management strategies.

Insurance: Explains the costs of auto, rental, home, and life insurance. Students must visit this booth after purchasing or leasing a car and after choosing their living space. Booth volunteers will explain insurance plans and ensure that students have all necessary coverage.

Safety & Taxes: This booth teaches students how to manage online personal security, advocate against bullying, and understand how taxes affect their income and spending. Like the reality check booth, this booth offers students to spin a wheel or draw a card that will result in a positive or negative event that impacts their personal security. This can include anything from a loss of money due to identity theft to a small tax refund.

Ideal Budget Worksheet

Your yearly income (after taxes) is _____. Use this to answer the following questions. You are going to create a budget based on your monthly income. At first, you will only fill in the “WHAT WE RECOMMEND” column. As you complete each budget worksheet, you may choose to decide to spend however much money you want in each category (the “WHAT YOU WANT TO SPEND” column). However, keep in mind that the total MUST equal your monthly income.

| BUDGET ITEM | WHAT WE RECOMMEND | WHAT YOU WANT TO SPEND | ARE YOU SPENDING MORE OR LESS? |
|---|--|------------------------|--------------------------------|
| Transportation <i>Suburb</i> Car payment Car Insurance Gas OR <i>Boston</i> MBTA Pass | 15% of monthly wages \$ _____ | | |
| Food & Entertainment Food Cell Phone Bill Cable & Internet Bill Extras | 30% of monthly wages \$ _____ | | |
| Housing <i>Mortgage Payment</i> Home Insurance OR <i>Rent Payment</i> Rental Insurance? | 30% of monthly wages \$ _____ | | |
| Credit Card | 10% of the total credit card balance \$ _____ | | |
| Student Loan Payment | 3% of monthly wages \$ _____ | | |
| Savings | 25% of monthly wages \$ _____ | | |
| TOTAL | | | |

Useful Links:

<https://myfinanciallifema.org/myfinanciallife-learning-lab-educators-guide/>
<https://www.talent.com/tax-calculator/Massachusetts>