



A REALITY CHECK FOR HIGH SCHOOL STUDENTS

Mad City Money is a hands-on simulation that gives youth a taste of the real world - complete with career, salary, spouse, student loan debt, credit card debt, and medical insurance payments. During the simulation, they must select housing, transportation, food, clothing, child care – all while building their budget.

Students experience unexpected windfalls and unplanned expenses, just like real life. They write checks and use debit cards for their purchases, and must balance both their checkbooks and their budgets.

Participants learn how basic personal finance skills can help them avoid financial problems in the future, and gain a valuable new perspective on their choices with money.



WHAT PEOPLE ARE SAYING ABOUT MAD CITY MONEY

“It’s very important for young people to learn about financial literacy. I commend SCE Federal Credit Union for providing this type of learning activity for students.”

~ Congresswoman Judy Chu
California 27th District

“If everyone had this training in high school, we could avoid a lot of financial problems. Every student should go through this program.”

~ Congresswoman Grace Nepalitano
California 32nd District

“We are committed to investing in programs such as Mad City Money which aim to make the strongest impact on youth, especially during economically challenged times.”

~ Tammy Tumbling
Edison International

Mad City Money™ Simulation overview

You're a high-school student who has just been transported into the future with your friends. Some of you have just graduated from college or technical school. Some of you are married. All of you already have kids. You've just started your first full-time, professional job. You're earning money and have bills to pay. Now you have to select housing, transportation, food, household necessities, clothing, day care, and other wants and needs. Lots of choices to make. Oh, and you need to build a budget based on your income and debt. Welcome to Mad City Money™!

Program description

Mad City Money is a 3 hour simulation for high-school students. Each participant receives an "about me" sheet that contains: an occupation and salary, student loan debt owed, credit card debt owed, and cost of medical insurance. Some participants will have a spouse, some will be single, and some will be single parents.

Participants build a monthly budget based on their incomes. They visit ten merchants in Mad City to purchase housing, transportation, food, day care, and other needs. There's a mall for wants and, of course, a credit union for financial services. Each participant visits the Fickle Finger of Fate during the simulation where he/she receives unexpected windfalls and unplanned expenses. Participants write checks and use debit cards for their purchases, and must balance both their checkbooks and their budgets.

Session objectives

Each participant will:

- Practice budgeting as an adult with realistic circumstances.
- Identify and experience the consequences of poor decisions.
- Develop good judgment regarding spending and making a budget.
- Understand that budgeting is a necessary step in good money management and that it isn't difficult.

Target audience

This program is aimed at teenagers ages 16 to 19.

Pre-work

This session requires that participants receive information about writing checks and keeping track of debit transactions before the session.

Course length

3 hours

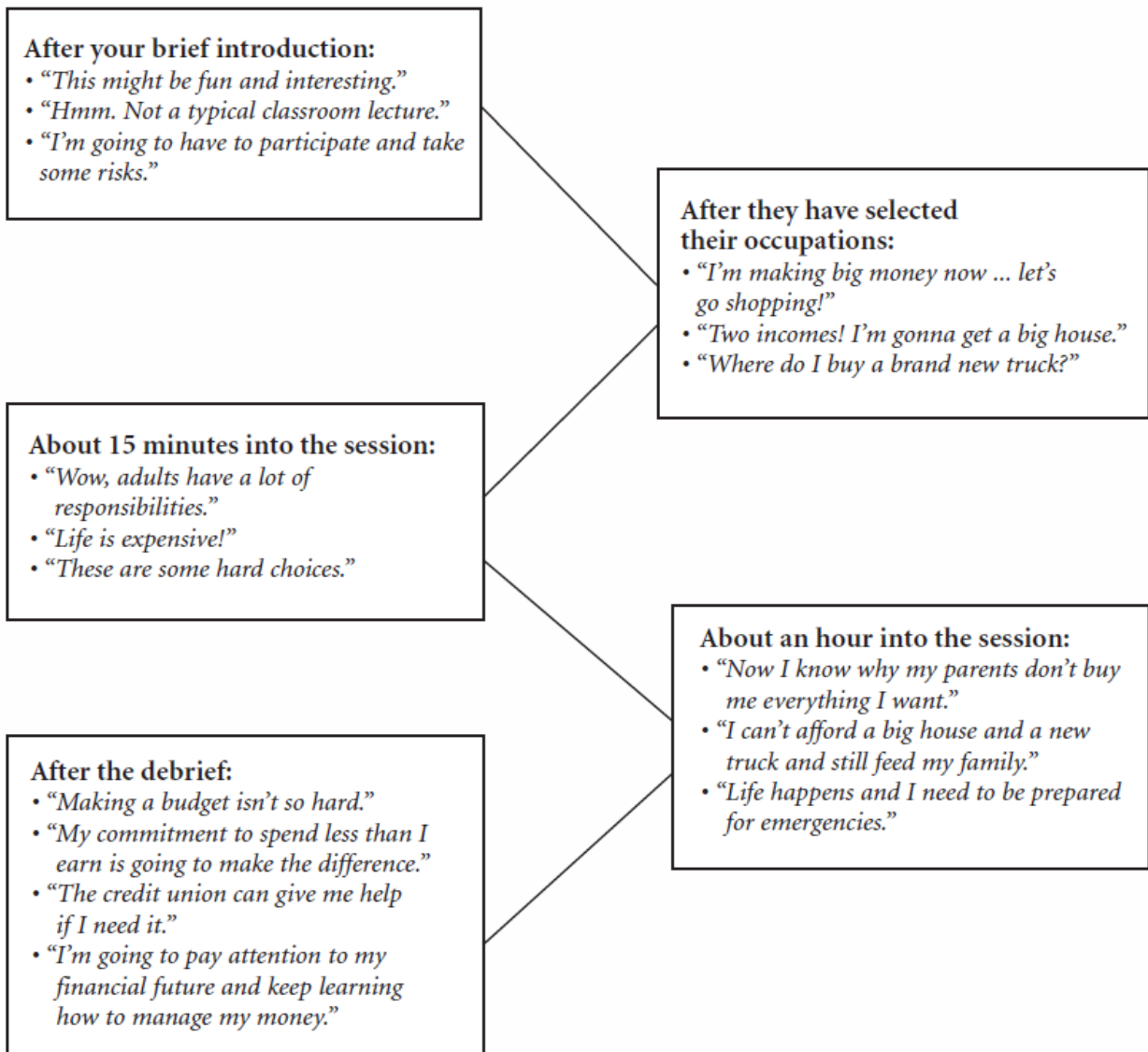
This time may vary slightly depending on the number of participants and the amount of time spent during the debriefing discussion at the end of the program.

What are participants thinking?

The teenage mind and this program...

What participants think about money, a budget, and their spending choices will change during the simulation. When it starts, they'll spend money without worrying about the financial impact simply because they can. Later in the session, they will have to make choices based on their family situations and they'll see the effect of spending on their budgets. By the end of the simulation, they will know how to budget within their incomes. For this learning to take place, they have to start by making mistakes. That's why you should avoid "correcting" poor decisions during the session and wait to discuss them afterward.

Learning occurs when participants change how they think during the simulation. This diagram describes typical thoughts participants will have at various points throughout the simulation as they experience and complete the activities.



About simulations

The Mad City Money simulation uses no lectures or PowerPoint® slides. It requires teenagers to integrate their knowledge of money, math skills, attitudes about choices, and money values. During the program, participants make decisions with immediate repercussions that might not occur for years in real life. They have the opportunity to modify their decisions and actions and see the impact of changes right away. They have chances to experiment and make mistakes—and suffer the consequences of their decisions—in a realistic, but safe, environment.

Simulations are a good way for learners to practice real life by taking on responsible roles, finding ways to succeed, and developing problem-solving tools. Simulations make students hands-on participants, not just listeners or observers. Simulations motivate participants because their involvement in the activity is so personal that it leads them to want to learn more about the simulated subject matter.

Face it—most adults would consider the topic of budgeting to be a “yawner.” Books and classroom lectures on the subject likely would put most teenagers to sleep. But a budgeting simulation elicits higher levels of interest, motivation, and engagement. This activity can produce higher quality problem solving in participants than traditional classroom methods do. What’s more, simulations encourage persistence, creativity, problem solution, and cooperative teamwork.

Let the participants make mistakes.

Really. Let them make mistakes. If you’re used to a traditional teaching experience, you may need to remind yourself not to step in and help participants “fix” their budgeting problems. In this program, we want participants to overspend and end up with purchases they can’t afford. That’s the power of this experience. Participants will realize, “Oh, I guess I can’t have a big house and a new truck on my salary and still pay for day care and groceries.” Sure, you could tell them what choices to make, but that’s not the best way for them to learn. They need to see for themselves what works and what doesn’t. That’s why we provide erasers and calculators for this program.

During the simulation, participants will learn the consequences of their decisions and share their thoughts and actions with their peers.

Program Elements

Learning Assessments

The program includes two mechanisms to evaluate the learning effectiveness of the simulation:

Pre-Event and Post-Event Surveys

Participants complete a survey of financial questions before starting the event, and again at the end of the event to assess their understanding of various financial concepts and skills. The difference in their survey scores from before vs. after the event gives us an indication of the simulation's impact on their financial knowledge.

Activity Scores

Throughout the simulation participants have the opportunity to score points based on their spending decisions at each merchant table. The scores are used as a fun incentive for participants to win prizes, but can also be noted as an indicator to determine the participant's ability to act on basic financial concepts such as budgeting, saving for emergencies, and paying down debt.

Coaching

The Mad City Money simulation is designed to let participants make a series of financial "mistakes" as a means of helping them learn what NOT to do in real life. We found that this "learning by doing" method is most effective when the teen has someone to help them fix their mistake, and show them a better way to handle the transaction. Coaches are specially trained volunteers that mingle with the participants during the simulation, offering constructive advice and guidance that helps participants recognize spending errors and identify better spending decisions.

The Power Of Peer Discussion

After participants have finished the simulation activity, a Facilitator uses open-ended questions to guide the large group discussion through a series of important learning "take-away" points. Participants have the opportunity to share the highlights of what they learned in the large group setting. This is where the magic happens, as students discover the wisdom of personal finance skills from each other, rather than from an adult authority figure. Peer-to-peer learning can promote an increased level of personal ownership of the financial concepts, making this an ideal method for debriefing the simulation activity.