

# WHEEL OF LIFE PROJECT DESCRIPTION

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**OVERVIEW** The Wheel of Life project is designed as a strategy to help students develop some financial management skills as they learn about paternity and parenting. The goal is to have them learn how to create and adapt a monthly budget based on changing life circumstances.

There's a lot of flexibility with the project. You can make this a smaller exercise that you implement only during Sessions 4 and 5 of the formal program, or you can implement it as a larger project where students do independent research and continue to revise their budgets through Session 6.

Below are steps for conducting the activity in three parts as a multi-session project. If you don't have enough time or want to simplify the project, see the "*Suggestions for Simplifying*" listed in each part.

Each part of the project is coordinated to specific p.a.p.a. sessions.

## **PART I Salaries and Budgets** (p.a.p.a. Session 4: The Cost of Parenting)

To start, students must be assigned a career and salary. At this first stage, the students are all single, living independently of parents, without children. You can have them identify their careers by spinning the wheel or by drawing a numbered card out of a bag.

### **WHEEL OF LIFE SPINS**

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|-----------------------------------------|-------------------------------------------|
| <b>0</b> High School Teacher • \$54,848 | <b>5</b> Fast Food Cook • \$18,491        |
| <b>1</b> Doctor/Generalist • \$173,253  | <b>6</b> Registered Nurse • \$66,586      |
| <b>2</b> Accountant I • \$44,911        | <b>7</b> Commercial Loan Clerk • \$34,920 |
| <b>3</b> Plumber • \$40,801             | <b>8</b> Police Patrol Officer • \$50,512 |
| <b>4</b> Waiter/Food Server • \$21,435  | <b>9</b> Attorney • \$85,669              |

*National Salary Averages from [www.salary.com](http://www.salary.com), 2/13*

Once the students know their careers and salaries, they need to create a budget that is appropriate for their salary. You will need to review the basics of setting up a budget. Once the students understand how to create a basic budget, they will need to fill in the income and expenses on their individual monthly budget.

We have provided a *Budget Information* handout with some basic information about the typical costs of different living expenses. To keep the project simple, distribute these handouts and ask students to create their budgets based solely on this information.

Alternatively, you can give students the various categories of living expenses and ask them to research the real costs of these expenses in their city or county.

## WHEEL OF LIFE PROJECT DESCRIPTION *Part 1 Continued*

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The “must-have” expenses that students should include in their budgets are:

- a) Housing (apartment or house)
- b) Utilities (electric, gas, water)
- c) Transportation (bus or car, gas and insurance)
- d) Savings
- e) Food (groceries and food for daily living)
- f) Cell phone
- g) Insurance (homeowners or renters; health covered by employer)

“Want-to” expenses might include:

- a) Entertainment/recreation (eating out, movies, videos, events, concerts, etc.)
- b) Additional clothing
- c) Spending money
- d) Cable (type of package)
- e) Vacations
- f) Other things you might need or enjoy that you can afford based on income

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### **Suggestions for Simplifying**

- Instead of assigning a different career and income to each student, have them all calculate a budget for someone with a minimum wage job. Distribute the handout of the completed budget we’ve provided. This person has chosen to live in a studio apartment, use public transportation, save \$25 per month, and buy a basic cell phone and basic cable. Get students’ reactions by asking: What do you think life would be like with this budget? This person chose a basic cell phone and basic cable – what would you have chosen?
- For Session 5, have all students figure out what would happen to their budget if they became a custodial parent and began receiving child support from someone who had a minimum wage job (or what would happen if they became a noncustodial parent and had to pay child support based on their current income).

# WHEEL OF LIFE PROJECT DESCRIPTION *Part 2*

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## **PART II Family Situations** (p.a.p.a. Session 5: Child Support)

In this part of the project, students will be assigned a family situation that affects their budget. Many, but not all, of them will have children. Some will have to pay child support. Some will receive child support. Others will be owed child support but not receive it. The issues that will result from these new family situations are very relevant to Session 5. You can have students take turns discussing their new family situation and its impact on their budget. The goal is to have students experience what it might feel like to be in these different parenting situations, and to reflect on how these simulated experiences might impact future decisions.

### **WHEEL OF LIFE SPINS**

- 0** You and your partner have a son. You become the noncustodial parent and pay child support to your son's custodial parent.
- 1** You and your partner have a daughter. You become your daughter's custodial parent and receive child support from her noncustodial parent. Because the noncustodial parent has a full-time minimum wage job, the amount of the child support payment is \$222 and medical support is \$25 each month.
- 2** You and your partner decide to get married. You don't have a baby now but plan to have one in the next two years. Your new spouse is going to school full time and makes \$500 each month working as a server in a restaurant while taking classes. You gain an additional salary of \$1,698 per month and are paying \$1,000 each month in tuition, books and fees.
- 3** You and your partner have a son and decide to get married. Your new spouse is going to school full time and makes \$500 each month working as a server in a restaurant while taking classes. You gain an additional salary of \$1,698 per month and pay \$1,000 each month in tuition fees. You're happy because you got all of the one-time purchases you needed for the baby at a baby shower. However, the baby will need full-time daycare, in addition to all of the other monthly baby expenses (diapers, etc.).
- 4** You become the noncustodial parent to twins and pay child support to their custodial parent. The amount of the child support is 25 percent of your net monthly income. In addition to child support, medical insurance for the twins costs \$280 each month.
- 5** You become the custodial parent to twins and receive child support from their noncustodial parent. The noncustodial parent earns a gross income of \$1,500 per month, so the child support will total \$328.
- 6** You become the custodial parent of a 2-year-old boy and don't receive any child support from the other parent. You also lost your job so you apply for TANF and get a grant of \$228 per month. You can also get Medicaid and \$367 per month in food stamps. You can no longer afford your apartment, so you move in with a parent or relative. You still have monthly expenses for you and your son.

## WHEEL OF LIFE PROJECT DESCRIPTION *Part 2 Continued*

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- 7** You become the custodial parent of a baby girl. Your daughter was born last week and you need everything: clothes, a stroller, crib, diapers, baby wipes, etc. You and the noncustodial parent don't communicate anymore, and you don't receive any child support. You will be taking two months of unpaid leave from your job, so you won't have any income for two months. When you start back to work, your grandmother will take care of the baby, but you will still have monthly baby expenses.
- 8** You became the noncustodial father of a little girl last year, and then become the noncustodial parent of a little boy from a different woman this week. You will pay 20 percent of your net income to the little girl's custodial mother and 17 percent of net income to the little boy's custodial mother. Additionally, you'll pay 5 percent of your income for medical support for the two children. *Note: This situation has to go to a male student.*
- 9** You're enjoying your single life and aren't ready for a serious relationship or children at this time. So you only have to worry about yourself as you continue to manage your budget.
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### Suggestions for Simplifying

- Eliminate some of the family situations. Instead of 10, have five different situations and have students pick a number from 1 to 5.
- For Session 5, have all students figure out what would happen to their budget if they became a custodial parent and began receiving child support from someone who had a minimum wage job (or what would happen if they became a noncustodial parent and had to pay child support based on their current income).
- In Session 6 of p.a.p.a., ask students to consider what would happen to their budgets if they became a custodial parent and did not receive child support (or if they became a noncustodial parent and lost their job and could not pay child support).

## WHEEL OF LIFE PROJECT DESCRIPTION *Part 3*

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### **PART III Fortune or Crisis** (p.a.p.a. Session 6: Parents Who Don't Pay)

In this part of the project, students spin or pick a number and receive a “fortune” or “crisis.” Again, they must adjust their budget based on the fortune or crisis. You introduce Part III in Session 6 and have students revise their budgets and discuss the financial impact of their fortune or crisis situations. Depending on the amount of class time you can dedicate to the Wheel of Life, you can continue the discussion of the fortune or crisis in the next session. The goal is to have students get a realistic sense of the financial impact when a parent who owes child support does or doesn't pay. They can also compare the financial impact of being a single parent, being a married couple with children, being single without children, and so on.

### **WHEEL OF LIFE SPINS**

- 0** Your boss tells you that your company is downsizing. You're given a pink slip. You will no longer collect a paycheck from your former company, but you can collect unemployment benefits, which are 25 percent of your former salary. With the present economy, it takes three months to find another job at half your original salary.
- 1** While texting and driving, you run a red light. You total your car and are taken to the emergency room. Your medical bills are high. After payment by the health insurance company, you still owe the hospital \$500. The insurance deductible for your car is \$1,000. You injured the other driver and caused major damage to his vehicle. You received a \$200 ticket for texting and driving and another \$230 fine for running the red light. Your insurance goes up an extra \$75 each month. *This scenario must go to a student who has chosen to buy a car for transportation.*
- 2** You receive Employee of the Year at work! Because of your work ethic and your dedication to the job, you receive a \$500 bonus and a 5 percent pay raise.
- 3** During the holiday season of November and December, you go a little crazy with your credit cards. You maxed out one and owe quite a bit on another. You now have credit card payments each month that total 10 percent of your monthly salary.
- 4** You were having communication problems with your boss, so you decided to quit before getting another job. You weren't eligible for unemployment because you quit rather than got laid off. You've been looking really hard but, so far, you haven't found another job. The only income you have is from temp jobs that you've been able to get. On average you're earning around \$200 per week.
- 5** While at home, you receive a certified letter from the postman. The letter informs you that you have just received a \$5,000 inheritance from a favorite uncle on your mother's side of the family, and the cashier's check is enclosed with the letter! This isn't a scam – no mail fraud here – it's the real deal!

## WHEEL OF LIFE PROJECT DESCRIPTION *Part 3 Continued*

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- 6** Because you forgot to check your oil, your car needs major engine repair. Warranty won't cover the cost, so it will cost you \$850. It will also take one week for the repair, but you still have to get to work. The dealership won't provide a rental car, and your friends all have a different work schedule, so they can't give you a ride. You have to catch the bus (\$30 pass is most economical), rent a car (\$352.65 for the week), or buy a used bike to ride (\$75). *Note: This scenario must go to a student who has chosen to buy a car for transportation.*
  
- 7** Your company decides to cut costs by cutting back on how much the employer pays on the employee health plan. An extra \$250 will be taken out of your paycheck each month to pay for your health insurance premium.
  
- 8** You lose your cell phone, which is a smartphone. You have insurance on the phone but it is still expensive to replace. You can either buy another smartphone for \$200 or a simple flip phone for \$50.
  
- 9** Your parent gave you a scratch-off lottery ticket in your birthday card. When you scratched off the lottery game, you won \$1,000!

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### Suggestions for Simplifying

- Eliminate some of the fortune or crisis situations. Instead of 10, have six different situations and have students pick a number from 1-6. Choose three fortune and three crisis situations. This will minimize time spent processing the activity.
  
- Pick only one crisis situation, such as getting laid off, and ask all students to consider how that would impact their budget given their family situation.