

WHEEL OF LIFE PROJECT DESCRIPTION *Part 3*

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.

The project was introduced in Session 4, and in that session, students learned the basics of budgeting. In Session 5 they spun the wheel to get a family situation that affected their budget. At the end of this session, students will spin the wheel to find out about a fortune or crisis – a life event that affects their budget positively or negatively.

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.

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- 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!
- 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!

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.