



## BUDGETING FOR INCOME AND EXPENSES SIMULATION: 3-Day STUDENT SECTION

<b>Activity Overview</b>	<b>Digital Literacy Tool: Mint</b>
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In “**Budgeting for Income and Expenses Simulation**” you will be using **Mint**, an online platform and mobile app to learn about a personal financial budget (also known as Income and Expense Statement). The financial tool – **Mint** – is used by millions of people to manage their own finances. Since every person’s financial information is private, when you log in to **Mint**, you will be looking at fictional data for a person named Scott.

<b>Scenario for “Planning a Budget”</b>	<b>Task (Individually, with a Partner or in Small Groups)</b>
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Scott is a 24-year-old who graduated from college and works as a sound engineer. With his job, Scott is great at making plans: he plans deadlines for projects, he plans for upcoming meetings with clients, and he plans goals for new business. But when Scott isn’t working, he doesn’t like to plan. He says, “I just like to roll with whatever comes up.” Scott has *never* made any detailed plan for his financial life, never had a budget on paper or a computer.

Scott’s Mint budget is not yet set up. First, you need to learn about Scott’s spending habits by seeing individual transactions. Then, you will see at how these transactions have created trends for Scott. Finally, you will help Scott create a budget in Mint for improved financial health.

<b>Directions</b>	<a href="http://www.mint.com">www.mint.com</a>
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Follow the steps below to begin exploring the financial tool **Mint**.

Please note: For additional assistance, screenshots are available.

1. Read Scott’s scenario to understand some background information.
2. Follow your instructor’s directions for logging into **Mint**.
3. Find the **Trends**, **Budgets**, and **Transactions** tabs.
4. Investigate Scott’s current monthly budget and then examine categories and spending levels in order to answer questions posed on the “Budgeting for Income and Expenses Simulation” worksheet.
5. Make changes to transactions, categories, and budget amounts to improve Scott’s budget.

### DISCLAIMER:

To access Mint successfully, use the same computer or device every time or you will be forced to re-create a new account. Also, keep your username and password recorded in a safe place.  
**If you lose your login information, there is no way to reset or recover it.**



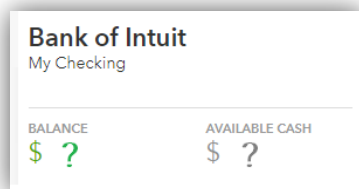
## BUDGETING FOR INCOME & EXPENSES: 3-DAY PART 1

### STUDENT SIMULATION WORKSHEET

Name(s): \_\_\_\_\_

#### PART 1: TRANSACTIONS

Clicking on the **Transactions** tab in Mint you can see daily spending imported from all of Scott's checking, savings, and credit cards.



On the left side of the screen, select **'My Checking'** account. *This will filter to show only checking account transactions.*

Looking at the transactions, they are in order from most recent to oldest. Notice that **purchases that decrease Scott's balance are in black** while **increase such as deposits are in green**.

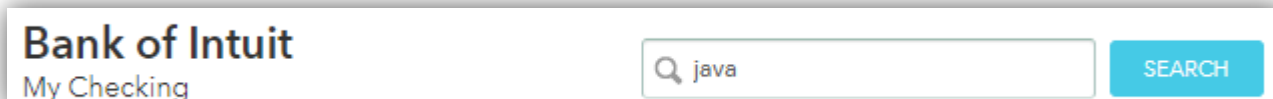
1. What is Scott's checking account balance?

2. What are Scott's three most recent transactions?

Date	Description	Category	Amount
			\$
			\$
			\$

3. When did Scott last earn income? Date:  Amount: \$

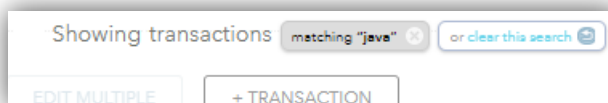
Analyzing transactions can give us insight into Scott. For example, Scott likes coffee and is a regular at Java Shoppe. If you enter "Java" or "Java Shoppe" in the search bar, Mint will filter for you.



4. How many times has Scott gone to Java Shoppe in the last month?

5. How much does Scott spend each visit? \$  OR \$

Clear that search by pressing the "clear this search" button that is located just above the list of transactions.



6. Now, search for "rent". How much is Scott's monthly rent? What date each month is it paid? \$  Date:

Mint categorizes spending. Usually Mint is correct:

<input type="checkbox"/>	Date ▾	Description	Category	Y	Amount
<input type="checkbox"/>	JUL 16	BURGER BAR	✓ Fast Food		-\$9.00
<input type="checkbox"/>	JUL 16	4-WHEELS LOAN	✓ Auto Payment		-\$280.00

But sometimes Mint's computers incorrectly categorize when they import from Scott's bank. For example, Press 'N Clean is actually dry cleaning and Super Snips is where Scott gets his hair cut.

<input type="checkbox"/>	Date ▾	Description	Category	Y	Amount
<input type="checkbox"/>	JUL 24	PRESS 'N CLEAN	✗ Alcohol & Bars		-\$19.00
<input type="checkbox"/>	JUL 6	SUPER SNIPS	✗ Restaurants		-\$24.00

7. Search for Scott's dry cleaners. It may be called "Press" or "Press 'N Clean". How often does Scott have this dry-cleaning expense?

Look for an appropriate category for Press 'N Clean by clicking the dropdown box to see other options.

<input type="checkbox"/>	Date	Description	Category	Amount
<input type="checkbox"/>	JUL 24	PRESS 'N CLEAN	Laundry	-\$19.00
<input type="checkbox"/>	JUL 23	ATM Fee	Auto & Transport	-\$2.00
<input type="checkbox"/>	JUL 23	ATM WITHDRAWAL	Bills & Utilities	-\$40.00
<input type="checkbox"/>	JUL 23	FAB ABS FITNESS	Business Services	-\$50.00
<input type="checkbox"/>	JUL 22	JAVA SHOPPE	Education	
<input type="checkbox"/>	JUL 21	EPIC TACO	Entertainment	
<input type="checkbox"/>	JUL 19	UNIVERSAL WIRELESS	Amusement	
<input type="checkbox"/>	JUL 19	PIZZA EXPRESS	Arts	
<input type="checkbox"/>	JUL 18	JAVA SHOPPE	Movies & DVDs	
<input type="checkbox"/>	JUL 17	TIKI HUT	Music	
<input type="checkbox"/>	JUL 17	WE-GOT-U INSURANCE	Newspapers & Magazines	
			Add/Edit Categories...	
			Home	-\$21.00
			Income	-\$311.00
			Investments	

8. Browse through category options. Which of the following categories would be best for Press 'N Clean dry cleaning for Scott?

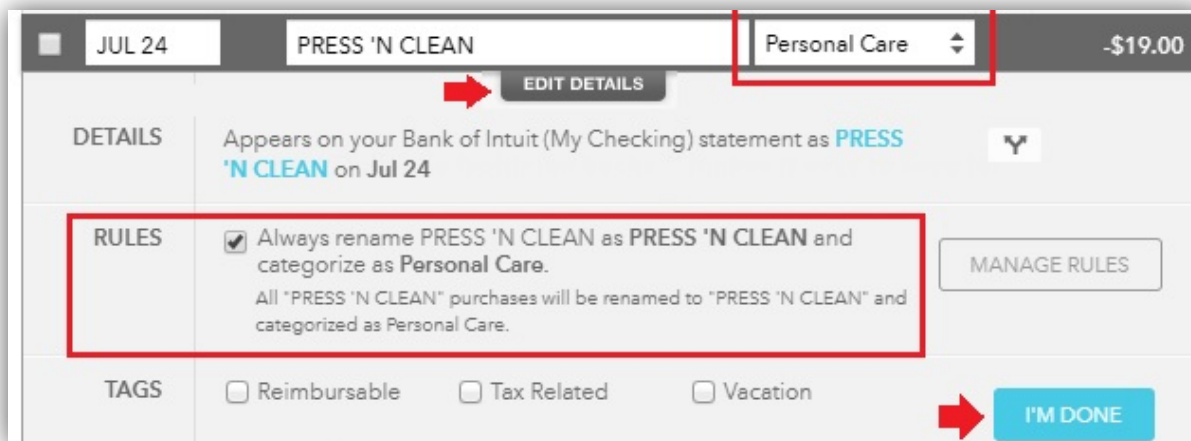
Entertainment     Health & Fitness     Personal Care     Shopping

9. In Mint, you will use these broad category names. It helps with budgeting. List 4 other categories that you saw in when searching for the last questions.

Now you'll change the category and apply to all. Again find Press 'N Clean transaction.

Click **EDIT DETAILS**. Search for **Personal Care** as the category name.

Check the **RULES** box to rename all Press 'N Clean as laundry. Then click **I'M DONE**.



If you did the above correctly, all of the past transactions are now Personal Care. Clear the search when you are finished looking at Press 'N Clean.

10. The following also need to be changed. Search for an appropriate broad category and then record how you make the following changes. *Remember to check the RULES button each time.*

For below, you will use the following categories:

AUTO & TRANSPORT (2 times)

BILLS & UTILITIES

BUSINESS SERVICES

GIFTS & DONATIONS

PERSONAL CARE

PETS

SHOPPING

Transaction	Description of Scott's spending	Category	Check complete
Press 'N Clean	<i>Dry Cleaning</i>	<i>Personal Care</i>	✓
Universal or Universal Wire	<i>Cell Phone &amp; Internet</i>		
We-Got-U Insurance	<i>Auto Insurance</i>		
Super Snips	<i>Haircut</i>		
Big Mart Store	<i>Shopping for various things.</i>		
Under The Hood Auto	<i>Oil change &amp; tune-up.</i>		
Ship Express	<i>Shipping for Scott's side business.</i>		
\$75 checks (any and all)	<i>Checks must be changed one at a time.</i>		
\$40 check (infrequent)	<i>The \$75 checks Scott pays a neighbor kid to walk his dog.</i> <i>The \$40 check Scott donated to a local charity.</i>		

**Bank of Intuit**  
My Credit Card

**The checking account transactions are complete!**

Now click on the left side to switch to Scott's credit card.

11. What is Scott's credit card balance?

12. What are some of the most frequently re-occurring places that Scott uses his credit card?

13. When Scott last made a payment on his credit card (**in green text**), what are the details?



Scott's Credit Card only needs a couple transaction changes.

14. Make the following changes, similar to how you did the checking account transactions.

Use the following categories:

ENTERTAINMENT (2 times)

SHOPPING

Transaction	Note	Category	Check complete
GameSquare	<i>These are in-app purchases for Scott's phone games</i>		
ShopHere.com	<i>Scott uses this big website for shopping.</i>		
MusicNotes	<i>Scott's subscription to an online software for a hobby.</i>		

Congratulations, you've organized Scott's spending!

## TRANSACTION ANALYSIS

While opinions vary, it is common to hear financial wisdom that suggests people should spend less than 30% of their income on housing. For Scott, housing means rent.

15. Search through transactions for "income". Look at Scott's last month's total income. Then search for "rent". Look at Scott's rent payment last month.

Is Scott spending less than 30% of his income on rent? What percent exactly is he spending?

 YES

 NO

 %

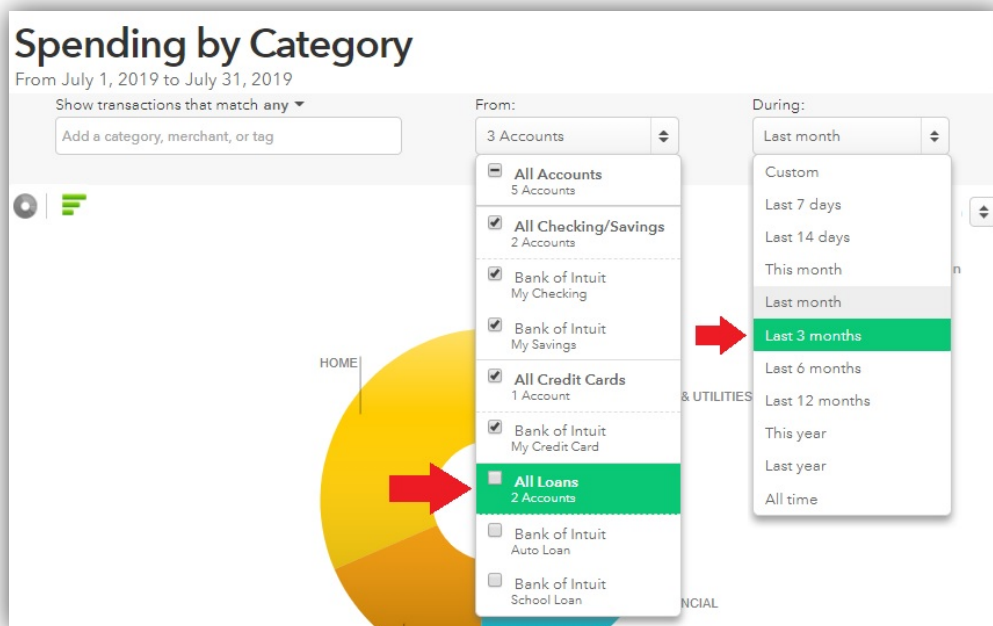
## BUDGETING FOR INCOME & EXPENSES: 3-DAY PART 2

### STUDENT SIMULATION WORKSHEET

Name(s): \_\_\_\_\_

#### PART 2: TRENDS

Clicking on the **Trends** tab in Mint brings you spending graphs. The transaction work you did in Part 1 makes these graphs accurate.



For each graph, you are able to **customize** a couple options.

For this activity, we want to see Checking/Savings & Credit Cards **but not loans**.

Uncheck **All Loans**.

Also, select the **Last 3 Months** as the range.

*These changes will apply to all graphs*

- Unselect "All Loans" from the first dropdown.  
Select "Last 3 months" from the second dropdown.

CHECK COMPLETE

#### Graph 1 – Income Over Time. Bar Chart.

From the left side of the screen, select the **Income: Over Time** graph.

Scott's income is (1) His job, bi-weekly deposit from iMusic (2) Side income, checks he deposits at an ATM.

- Look at the all 3 months. Does Scott appear to have received all his iMusic pay yet this month?  
 YES     NO

Click on any bar to see transaction information.

- How much does Scott earn from his job at iMusic:

Per paycheck: \$

Total in a full month: \$

- How much has Scott earned form his side job (ATM deposits) total in the 3 months shown?

**Graph 2 – Spending Over Time. Bar Chart.**

Select the **Spending: Over Time** graph. (*Duration should still be 3 months*).

Scott spends money nearly every day.

5. How much has Scott spent so far this month?

Look at the prior two complete months.

6. In which of the past two complete months did Scott spend the most?

7. How much is Scott spending on average per month?

**Graph 3 – Spending By Category. Pie Chart.**

Select the **Spending: By Category**. Set the duration to 3 months.

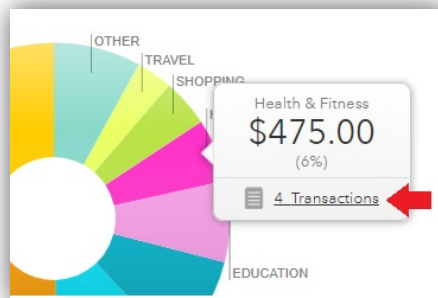
8. Fill in Scott's pie chart. Draw category lines, add labels and percentages.



## TREND ANALYSIS

You've seen Scott's transactions and looked at trends. Now it's time for you to evaluate and critique Scott and his spending. If you hover your mouse over any pie section, you'll see a transactions list link.

- Give a short written summary of each main section of the pie chart. What transactions are in this section. Describe if the spending is fixed or variable, if it is a need or a want. Could Scott save money easily here?



An example has been done for you for Education.

### EDUCATION

This is a fixed cost, exactly \$205 each month. Scott is paying his college loans. Only 3 transactions (1 per month). It is more of a need than a want because college is important. Scott can't really save money in this area.

### HOME

### AUTO & TRANSPORT

### FOOD & DINING

### BILLS & UTILITIES

### OTHER

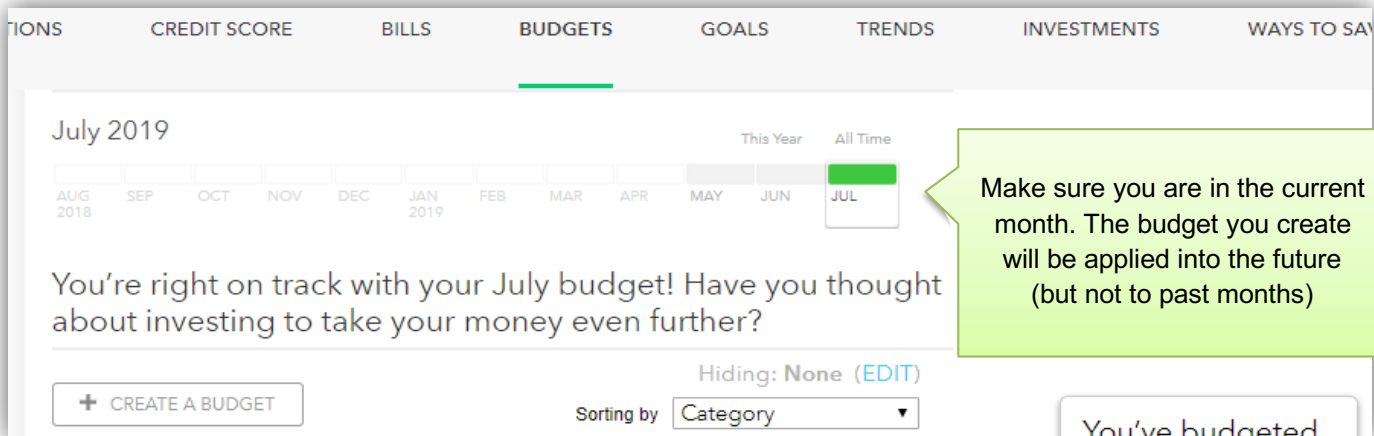


## BUDGETING FOR INCOME & EXPENSES: 3-DAY PART 3

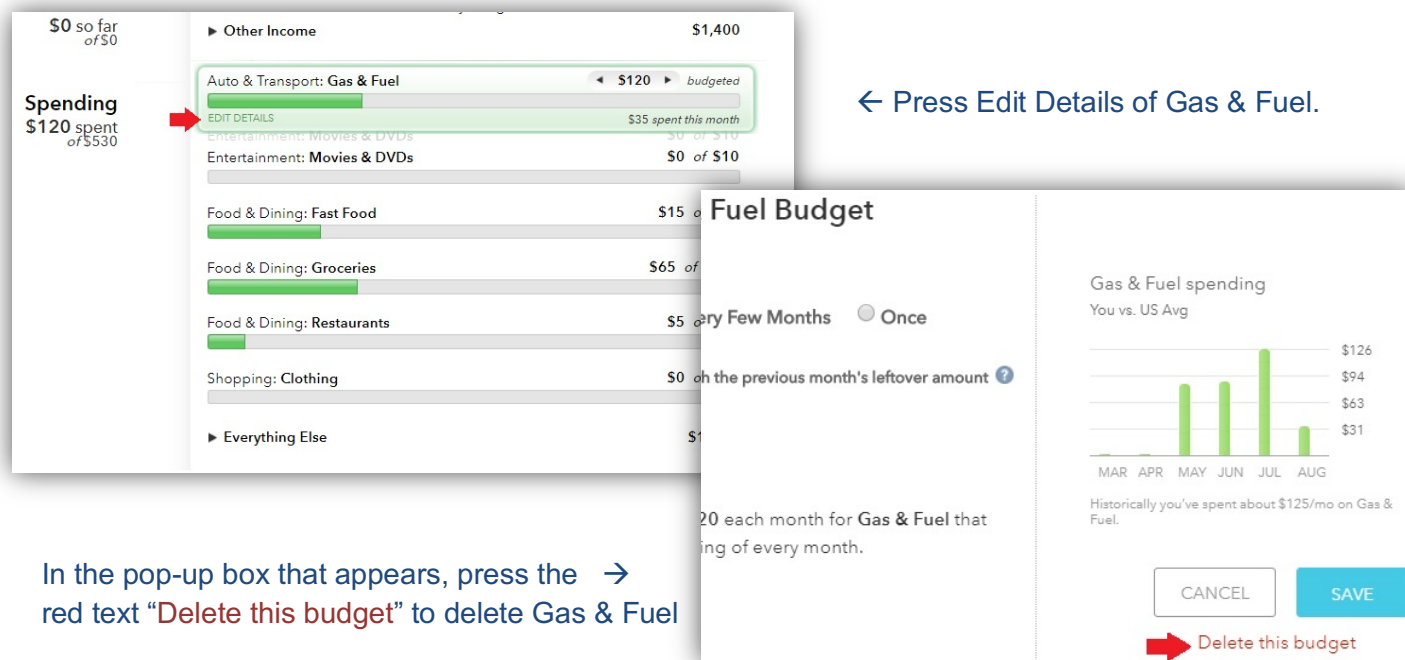
### STUDENT SIMULATION WORKSHEET

Name(s): \_\_\_\_\_

Clicking on the Budgets tab in Mint is where you will create a Budget for Scott. Mint automatically starts a budget, but in this part **you will create a budget for Scott** and make some decisions for him.



Mint suggests many categories. The first step is to delete these so you can then build Scott's budget.



In the pop-up box that appears, press the → red text "Delete this budget" to delete Gas & Fuel

1. Delete **ALL** spending categories in Mint so that Scott's budget is blank.

CHECK COMPLETE



Your Budget screen should now be blank. To build it, first add Scott's income.

Press the 'Create a Budget' button.

Type "Income" as the category.

Mint will suggest a budget amount (*that might not be a good suggestion*) from past months averages shown on the bar chart.

**Create a Budget**

Choose a Category  
Income

When will this happen?  
 Every Month

Amount  
\$

Income history  
MAR APR MAY JUN JUL AUG  
Historically you've earned about \$2,575 in income.

CANCEL SAVE

2. You saw Scott's average monthly income from iMusic in Part 2 of this activity. From Part 2, what is Scott's monthly income from iMusic? \$

3. Set Scott's amount to that and press Save.

CHECK COMPLETE

Now you will add the first expense for Scott.

Press the 'Create a Budget' button.

Type "Food & Dining" as the category.

Again, Mint suggests an amount based on prior averages.

**Create a Budget**

Choose a Category  
Food & Dining

When will this happen?  
 Every Month  Every Few Months  Once

Start each new month with the previous month's leftover amount

Amount  
\$ 287

We'll set a budget of \$287 each month for Food & Dining that starts over at the beginning of every month.

Food & Dining spending  
You vs. US Avg  
MAR APR MAY JUN JUL AUG  
Historically you've spent about \$287/mo on Food & Dining.

CANCEL SAVE

4. What does Mint show as Scott's monthly average spending on Food & Dining? \$

5. Use that suggested amount and press Save.

CHECK COMPLETE

Having added income and an expense, Scott's budget summary is shown on the right.

6. Record Scott's budget summary as it is currently shown on the screen.

You've budgeted...		
Income:	←	\$
Spending:	←	\$
Goals:		\$0
Left over:		←
		\$

You are now ready to complete Scott's budget by adding the rest of Scott's expenses!

7. Use the checklist below to finish creating Scott's budget. Add the following to Scott's budget:

Category	Note	Fixed or Variable	Amount you set as Budget	Amount Spent (so far) this month	Check complete
<b>Student Loan</b>	<i>Find the amount of Scott's student loan payment. Set to that exact amount.</i>	Fixed			
<b>Bills &amp; Utilities</b>	<i>Includes phone; set at \$250</i>	Fixed			
<b>Rent</b>	<i>Set to exact amount of Scott's monthly rent payment.</i>	Fixed			
<b>Gym (Fitness)</b>	<i>Same amount every month!</i>	Fixed			
<b>Entertainment</b>	<i>Scott likes to go to the movies, so give him enough for a movie trip per month.</i>	Variable			
<b>Auto &amp; Transport</b>	<i>Use Mint recommended average</i>	Variable			
<b>Pets</b>	<i>See Part 2 – Scott pays a neighbor by check each month to walk his dog.</i>	Fixed			
<b>Personal Care</b>	<i>Read the bar graph and determine an appropriate amount for Scott. The Mint suggested average may be incorrect. You can set the amount you think is best for Scott. Look at transactions to help you decide.</i>	Variable			
<b>Shopping</b>					
<b>Cash &amp; ATM</b>					
<b>Air Travel</b>	<i>Scott spends about \$300 every 3 months. Press the "Every Few Months" button to set up a cycle for this.</i>	Every 3 Months			

**Congratulations, you've created a budget for Scott!**

## BUDGET CONCLUSION

8. Having created a budget for Scott, update the budget summary as it appears on your screen.

You've budgeted...	
Income:	\$
Spending:	\$
Goals:	\$0
<hr/>	
Left over:	\$

9. Scott has \$2800 in paycheck income plus sometimes earns \$200-\$300 extra on this side. This activity advised you to plan for only the \$2800. Do you agree or do you think Scott's budget should expect the extra side income? Explain your answer.

10. Mint is not the only way to create a budget. But using computer software like Mint has value. What is one way that Mint's software makes budgeting easier than doing it with pencil and paper or just a spreadsheet?

11. In what ways do you think creating this budget would help Scott be a more financially responsible person? Give a specific example of what Scott might change or consider when he looks at his budget.

12. Scott has over \$1500 in credit card debt. Based on his projected surplus each month, is Scott going to be able to pay off that balance soon? Explain your answer.