Apply for a micro-credential before December 22, 2017 for a $75 Amazon gift card!*

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**Budgeting with Simulations**

Educator utilizes simulated learning to teach students about budgeting.

**Key Method**

The educator understands the benefits of active learning and chooses or creates a simulation to engage students in real-world financial decisions in order to communicate the importance of budgeting.

**Method Components**

**What is a simulation?**

Simulations are educational tools that replicate real-world situations in a controlled setting in which students are faced with decisions and their consequences in order to develop knowledge or skill sets.

**Components of a simulation**

- **Goal**: Which facts, skills, or behaviors should the students learn by completing the simulation?
- **Resources**: The physical and/or digital resources that will be used during the simulation.
- **Environment**: This is the conceptual framework or “story” in which the students are placed.
- **Roles**: What is the role for each student during the simulation?
- **Rules**: Guidelines for completion of the simulation.
- **Evaluation Method**: How will the students’ performance be evaluated? Will it be based on completion, quality of work, or a desired outcome?
- **Debriefing**: Reviewing the activity to reinforce the goals of the simulation.

(Adapted from Zapalska, Brozik & Rudd, 2012)

**Suggested Implementation:**

1. Introduce budgeting as a personal finance skill and discuss the purposes and benefits of developing a budget.
2. Choose a budget simulation, either digital (fully online or on a software program) or “table top” (consisting of tangible pieces that students manipulate) to utilize with your classroom (See the resources section). The chosen simulation should contain a high level of fidelity (Lunce, 2006). It is also recommended that the simulation be completed within a single class period and simple in its structure (Devlin-Sherer & Sardone, 2010; Zapalska, Brozik & Rudd, 2012).
3. Review the purpose, instructions, and evaluation method with the students.
4. End the lesson with a reinforcement activity that prompts the students to reflect upon the lessons learned during the simulation. This could be in a form of a full-class discussion or written reflection.
Supporting Research

Budgeting is an important financial skill, but is one that is largely unpracticed by teenagers. While over 50% of teens report that they spend their own money, only 17% claim they maintain a budget (“Teens and Personal Finance”). Simulations provide students an opportunity to learn about budgeting and experience elements of the “real world” within the safety and comfort of a classroom. The most effective simulations maintain a high degree of fidelity and exclude elements that would be distracting in a real-world situation (Lunce, 2006). In addition, a large percentage of students view educational games favorably, stating that they believe simulation games can help them better develop their knowledge and skills of class content (Wardaszko & Jakubowski, 2013). It is important to understand that while simulations are enjoyable for students and educators, the most crucial part of implementing a simulation or game is the reflection period after completion, when students can review the lessons learned (Zapalska, Brozik & Rudd, 2012).


Resources

Free Simulations


Paid/Registration Required


**Submission Guidelines & Evaluation Criteria**

The items in this following section detail what must be submitted for evaluation. To earn the micro-credential, you must receive a passing evaluation for Parts 1 and 3, and a “Yes” for both artifacts submitted for Part 2.

**Part 1. Overview Questions**
(200-word limit):

- How did you use background knowledge to set up this lesson about budgeting?
  - **Passing**: Educator describes the steps taken to provide background knowledge about the purpose of budgeting. The materials that were used are included in the submission and referenced in the response.

**Part 2. Work Examples/Artifacts**
Submit the materials for the simulation (or hyperlink if digital) and a written rationale (maximum of 200 words) that explains why it was chosen.

Also submit at least two samples of students’ written responses to the reflection questions. If a full-class discussion was used for this portion, submit a video of the discussion.

<table>
<thead>
<tr>
<th>“Yes”</th>
<th>“Almost”</th>
<th>“Not Yet”</th>
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</thead>
<tbody>
<tr>
<td>The chosen simulation is user-friendly and contains a high degree of fidelity. Educator points to specific, compelling reasons why the simulation was chosen in the rationale.</td>
<td>The chosen simulation is not user-friendly or does not contain a high degree of fidelity. Educator points to specific, compelling reasons why the simulation was chosen in the rationale.</td>
<td>The chosen simulation is not user-friendly and does not contain a high degree of fidelity. Educator does not provide specific, compelling reasons why the simulation was chosen in the rationale.</td>
</tr>
<tr>
<td>Student samples (or video) include specific lessons learned about budgeting through the simulation. The responses (or discussion) identify the purposes of budgeting, the challenges of budgeting, or factors that may lead a consumer to be more or less likely to stick to a budget.</td>
<td>Student samples (or video) include specific lessons learned about budgeting through the simulation, but the explanations show superficial reflection and do not identify the purposes of budgeting, the challenges of budgeting, or factors that may lead a consumer to be more or less likely to stick to a budget.</td>
<td>Student samples (or video) do not include thoughtful reflection or specific lessons learned about budgeting through the simulation. Responses do not demonstrate that learning occurred.</td>
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**Part 3. Teacher Reflection**
Provide a reflection on what you learned, using the following questions as guidance (300-word limit):

- How did this technique help you communicate this personal finance content to your students?
- Which other personal finance topics can this teaching technique be used for in the classroom?
  - **Passing**: The educator describes how this technique aided students’ comprehension and explains at least one other personal finance topic that could be taught using this teaching strategy.

**Part 4: Survey (Optional)**
Please answer a brief survey about your experience teaching personal finance. Your responses will

- help us understand barriers personal finance teachers face; and
- help us improve the resources being offered to personal finance educators
https://www.research.net/r/GFLEC4DP1

We appreciate your help.