Dear Freshman Parent(s),

We are excited to inform you that your child is participating in Budget Challenge®, a ten-week real-world, real-time online budget simulation that will help them learn to be financially capable young adults. The simulation runs from **Thursday, February 8th - Thursday, April 18th**. In the simulation, your child will manage their budget like that of a working adult, make key financial decisions and try to accomplish key financial goals such as setting up an emergency fund, maximizing an employer 401(k) match, juggling bills and paying down debt.

Students created an online account, selected vendors for an apartment, banking, cell phone service, auto and renter’s insurance, housing, utilities, and more. They will receive a simulated paycheck, set aside some of their income into a 401K account as savings for retirement, and write e-checks to pay household bills. Budget Challenge®, helps instill financial behaviors needed in real life, like routine checking of bills and account status, managing cash flow, and balancing near-term and longer-term financial goals, without the real-world negative impacts of making mistakes. In other words, they can mess this up and learn from it without the real-world fees, penalties and credit score hit.

Simulation scoring positively reinforces savings for retirement and punishes mistakes such as missing due dates, bouncing checks, exceeding certain percentages of the credit limit on their credit card, etc. Trophies are awarded for completing adult-level financial tasks such as paying all bills on time, reducing debt, maxing out an employer 401k match and setting up an emergency fund. Their class grade is based on participation and effort. As long as they, keep trying and do what they’re asked to do – they should be fine.

Research shows that it is beneficial for parents and guardians to discuss money management topics at home, particularly when supported with the right tools that promote conversations. When those conversations take place along with effective classroom instruction, the result is more financially capable and confident young adults. This will be a great time to talk about financial topics like banking, credit and insurance with your child. Please ask your child questions about decisions they’ve made in the simulation. You can also ask them to show you their account to see how they’re doing.

During the simulation we’ll send some updates on and suggestions for how to generate some great conversations at home about money matters. Feel free to contact us with any questions you have about this exciting opportunity for our students.

This week the focus of the budget challenge is banking - including different types of financial institutions and different types of accounts and services. This would be a great time to talk to your child about where you do your banking and what types of accounts you have. You could also talk about why you chose the institutions you bank at. In Budget Challenge®, your child has chosen one of four checking account options. Ask your child about what checking account option they chose for the simulation, what fees or minimums it has and why they chose that option.

Thank you for your support of this incredible opportunity for these kids.

Sincerely,

Brian Burak, Erin Sullivan, Yvette Snopkowski

International Studies Teachers