



EXPERIENTIAL LEARNING THAT LASTS A LIFETIME

My Home Economy was derived from My Classroom Economy, a program that has been in existence since 2011 that simulates a micro-economy within K-12 classrooms. The classroom economy concept is a proven strategy for teaching children key life skills through experiential learning. The concept was tested in partnership with the University of Wisconsin-Madison. The studies there proved that students in the program increased financial knowledge, improved budgeting behaviors, and had more in-home conversations about money.

As My Classroom Economy (MyCE) grew and gained popularity, teachers and parents requested us to expand the program beyond the classroom setting for parents to teach financial literacy and encourage responsible behaviors at home. Volunteers from Vanguard, one of the world's largest global investment management companies, have expanded the original concept into one designed specifically for parents: My Home Economy.

» One visit to <http://home.myclassroomeconomy.org/> is all it takes to learn more, download materials, and get started.

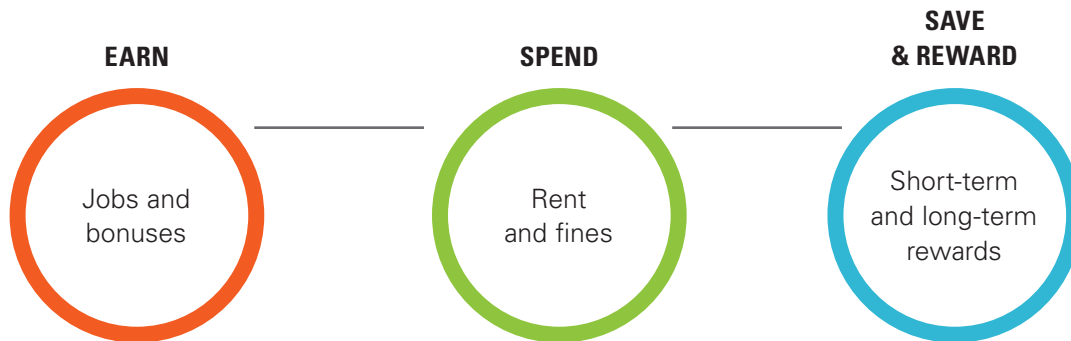
Free
for all
families

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My Home Economy Overview

My Home Economy (MyHE) is a program that enables parents to teach children financial responsibility through fun, experiential learning at home. We give you the tools to create a simulated economy in which your child will choose a job, earn a salary, and budget their salary toward expenses, using faux money available at our website. Designed to be flexible, the program can be adjusted to what works best for teaching your children the financial concepts of earning, spending, and saving—at no cost to you.



BENEFITS

Below are a few benefits of experiencing Your Home Economy:

- Children take responsibility for personal financial decisions.
- Children explore career options.
- Children identify sources of income.
- Children develop a plan for saving and spending income.
- Families are encouraged to discuss positive financial behavior.
- MyHE can be used as a behavior-management tool.
- MyHE can be easily adapted to any household setting.

PROGRAM OUTCOMES

Through MyHE, children learn valuable life skills in an experiential way. Specifically, they can:

- Learn the value of earning a paycheck, as they bank salaries from their jobs.
- Learn how to budget their spending to pay their bills.
- Discover the importance of saving money and the power of delayed gratification.
- Realize that every decision has an opportunity cost and trade-offs.

Notes: All transfer of money discussed in our guide is intended to be done using simulated money. However, parents can choose whether they want to use real money or the simulated printable version on our website. From past testing, parents experienced most success in children's comprehension and enthusiasm when using the program with children ages 7-13.

Get started

Plan to spend about 3 hours preparing your Home Economy. We recommend that you engage your children in defining what your home economy looks like. This guide walks you through how to implement MyHE in your household. As you read, consider your current family dynamics and how MyHE could enhance existing family behaviors and values. Our guidelines are designed for ease of implementation, so you can customize most aspects of the program to suit your needs. We recommend detaching this page and using it as you review the subsequent sections of this guide.

STEP 1. PREPARE

Gather materials and create a custom plan based on your household norms or the examples we provide. You may involve your children in this step.

Checklist

Earn: Choose jobs with related salaries and set bonuses. Decide whether or not you choose to use real money or simulated cash. (Examples on pp. 5-8).	
Spend: Select rent and set fines. (Examples on pp. 9-10).	
Save & Reward: Think of rewards to encourage your children to save. (Examples on pp. 11). Be creative!	
Print materials such as simulated money, paychecks, and a financial log to track income and expenses from our website.	

STEP 2. INTRODUCE

Explain and set expectations about your upcoming home economy.

Checklist

Discuss the program purpose: Learning how to responsibly Earn, Spend, Save & Reward.	
Explain the jobs/salaries, bonuses, rents, fines, and rewards you chose.	
Encourage questions from your children.	
After the introduction, assign each child a job.	

STEP 3. REINFORCE & MAINTAIN

Monitor progress and seize learning opportunities to initiate discussions. Parents/caregivers can track progress, expenses, and savings with this tool.

Checklist

Establish a routine and set a timeline for home economy activities (collecting rent, paying salary, collecting rewards, etc.).	
Discuss the benefits (or downfalls) of saving versus spending and other budgeting concepts regularly.	
Record effects of the program on decision-making and budgeting in your log.	



Earn

SELECTING JOBS

Each child is expected to hold a “job,” along with being an “exemplary family member.” The job is how they earn a salary to pay rent. (see Spend section for more details). This is the key component of MyHE; it’s the foundation on which all other pieces of the program are built.

The following pages include ideas for jobs and suggested salaries using the simulated money available on our website.

Types of jobs vary by household and each child’s capabilities.

It’s recommended that adults or oldest children hold the job of “banker.”

Ideas and considerations:

- If your household has different jobs at different frequencies, your children may have a set of jobs (e.g., make bed daily, empty trash weekly, etc.).
- If your household rotates jobs, be sure to set clear expectations about when and how they will rotate.
- You can add complexity by creating “job postings” describing expectations of each job.
- Older children may benefit from “applying” for the job(s) they want through a job interview or job application.
- Should you choose to use real money, please adjust the salaries based on your family’s financial situation. In other words, if you decide to use real money, use your children’s current allowance as price points for salary, fines, bonuses, etc. The suggested amounts offered in this guide are intended to reflect faux money amounts, not real money.”



Checklist

Define what it means to be an “exemplary family member” in your family.	
Define list of household jobs available. Discuss job expectations with children.	
Determine “application” or assignment process for jobs.	



TIP:

- Being an “exemplary family member” could mean playing courteously with siblings or peers, performing well in academics, or participating with good behavior in extracurricular activities. It needs to be something they can accomplish and behaviors they exhibit regularly, if not daily.



JOB SUGGESTIONS

The jobs and salaries below are options for your consideration. A child is not required to hold all of these jobs for MyHE to run successfully. These amounts, based on simulated money, should be adjusted for each family and vary across jobs based on level of difficulty.

Jobs	Description	Weekly salary
Banker (optional parent role)*	Keep bank records for family. Accept deposits and pay withdrawals. Deposit remaining cash in the House Bank.	\$200
Police officer (optional parent role)*	Check for violations of house rules. Hand out tickets for children who break rules. (Predefined rules and possible fines are recommended. Parents should decide when a child gets a ticket or distributes a ticket.)	\$175
Vet	Maintain the health and well-being of all family pets. This may include feeding, playing with, or cleaning up after them.	\$150
Chef	Assist with dinner preparation and cleanup. May also help prepare lunches or snacks.	\$150
Clerk	Help keep family organized. Update family calendar and messages.	\$100
Custodian	Take out the trash and keep family rooms and yard straightened. Help keep toys and books organized.	\$100
Dry cleaner	Help fold and put away family laundry.	\$100
Technology supervisor	Turn lights and electronics off when appropriate. Charge electronic devices and help family with technology needs.	\$100
Meteorologist	Keep family updated on daily weather and upcoming weather events. Keep track of forecast and share with family.	\$50
Exemplary family member	Be respectful toward all other members and help the family where needed.	\$100

*These roles are required as part of the Home Economy. If a child has completed each role, it is suggested that the parent act as an auditor, examining financial records to ensure accuracy in payments, record keeping, and timing.



DETERMINING SALARY

To make sure each job pays an appropriate salary, the highest pay goes to the most responsible or complicated job(s). (See the suggested job list above.)

Ideas and considerations:

- Total salaries should be slightly less than rent to encourage bonuses for positive behavior.
- Salaries should be paid to children weekly, while rent is paid from children monthly. This will encourage budgeting skills.
- Consider the option of providing pay in the form of a check instead of MyHE dollars.



TIP:

Create a cash box (or cash envelope) with slots, one for each cash denomination. This is where your household will keep excess cash and act as a “bank.” We recommend that each child hold only about \$200 in cash and deposit the rest in the cash box.



Checklist

Determine job salaries and pay schedule.	
Optional: Teach children how to balance their bank account using a bank log, which is a handy tool to organize inflow and outflow of expenses. The bank log is available on our parent website: http://myclassroomeconomy.org/materials.html .	



DEFINING BONUSES

To make rent, in addition to the salaries they can earn from their jobs, children need to earn bonuses by behaving well or completing small jobs around the house.

Children can save bonus money not used on rent for short-term and long-term rewards.

Ideas and considerations:

- To set clear expectations, it is recommended that you determine bonuses up front and show bonus amounts clearly and consistently.
- You can offer bonuses for specific behavior you want to encourage and for activities important to your household. The following bonus amounts are a suggestion.
- Introduce the concept of earning interest by offering interest as a bonus for saving versus spending money.

Activity	Bonus amount
Wake up on time	\$5
Act as a great team player at sports practice	\$10
Help a sibling with homework	\$10
Rake leaves	\$15
Take on a sick sibling's work ("internship")	\$15



TIPS:

- For active families, it may work best to keep some Home Economy currency on hand. Parents can keep extra bonus cash in their wallets or in the car to reward children immediately for positive behavior or extra effort.
- It's better to give away too much bonus money instead of too little. The more bonus opportunities you provide, the more often children see extra efforts rewarded.



Checklist

Define a list of bonuses and bonus amounts.	
Optional: Create a unique list of bonuses so children can target behavior you want them to work on.	



Spend

DETERMINING RENT

The obligation to pay rent is central to the Home Economy. These are key concepts:

- A child's salary should not quite cover the weekly or monthly rent. To make up the difference, children need to earn bonus money.
- Children who do not meet their rent payments should face some loss of privilege (such as losing the use of a phone or iPad).
- Those who make their payments and manage to save additional money should reap benefits (such as paying off their rent).
- Rent can be for a room, phone, or something else that the child deems valuable to them.

Activity	Expense amount
Suggested weekly rent	\$250
One-time room, bed, or technology purchase	\$750

Ideas and considerations:

- Consider creating different rent amounts based on children's ages, room size, or job. This may be a tough concept for children under age 7 to grasp.
- We recommend that, if children miss a rent payment, they will not have the opportunity to spend next week's salary on rewards. Although you may instead choose other privileges to be forfeited, remember that the program is designed to help children learn financial responsibility—it is not to punish them.
- When children miss rent payments, it's important to get them back on track as soon as possible. You can use the missed payment as an opportunity for a discussion about choices, then encourage the child to earn bonuses so that he or she can catch up on rent and participate in the rewards-spending fun.



Checklist

Document rent amount and payment schedule.	
Optional: Create "loans" if children go into debt and cannot pay rent. Consider introducing the idea of interest.	
Optional: Create "deeds" for children who purchase their bed or room.	
Optional: When children are ready, introduce additional topics (i.e., taxes, insurance, etc.).	



FINES

This section is optional for your household. Below are some considerations if you wish to include fines in your Home Economy.

In the Home Economy, the role of fines is to help children understand costs and consequences—it is not to punish them. The list of fines should be short and direct, matching your household priorities.

Fines should not be imposed on top of other penalties. For example, if a child is expected to clean their room to earn a salary, there should not be a fine for the messy room on top of the impacted salary.

Example fines	Ticket amount
Dishonesty	\$500
Rudeness	\$100
Messy room	\$100
Missing work	\$50
Tardiness	\$50

IF YOU CHOOSE TO INCORPORATE POLICE OFFICERS

Although the Police Officers write tickets for fines, you control the process through an offense log. As you correct a child, you can mention that you're adding the violation to the log. Then when "Ticket Day" comes, the Police Officers write tickets based on the entries in your log. In this way you retain explicit authority over dealing with misbehavior.



TIPS:

- The behaviors that elicit fines should reflect your own values. As an example, our list allots the steepest fine to dishonesty, reflecting a belief that truthfulness is an essential value for children to absorb.
- Be sure the fines you choose fit the culture of your household. For example, promptness may be difficult to enforce in your home if it is not a priority to you.



Checklist

Create a short list of fines with ticket amounts.	
Start an "offense log" to track fines for each child.	
Optional: Create a unique list of fines for each child to target behavior you want them to work on.	



Save & Reward

SHORT- AND LONG-TERM REWARDS

Children who make their rent payments and manage to save additional money can reap:

- Short-term and weekly rewards.
- Longer-term rewards (monthly, seasonal, or even aligned to school calendars).
- Help with budgeting to meet their savings goals while paying rent.

REWARD SUGGESTIONS

Short-term rewards

- Extra TV or iPad time.
- Play date with a friend.
- Ice cream treat.
- Staying up an extra 30 minutes or hour.
- Sleepover with friends.
- Going to the park after school.

Long-term rewards

- Trip to an amusement park.
- Choice of full-day activity.
- Camping trip.
- Spending money for family vacation.



TIPS:

- You can also incorporate donating as part of your child's budget or savings goals. This can be a fun way for children to give to their favorite charity.
- Rewards do not have to be tangible gifts or objects. They can simply be time with family or extra time to do activities the child enjoys.



Checklist

Determine a list of household savings rewards.	
Assign a dollar value to each reward. For example, 30 minutes of TV time may be worth \$100.	

Takeaways & FAQs

TAKEAWAYS

Through My Home Economy children learn valuable life skills in an experiential way:

- Take part in a simulation of real-world economic activity.
- Learn the value of earning, practice saving, budget spending, and make scheduled payments.
- Discover every decision has an opportunity cost.

FAQS

What age ranges does the program work best for?

7-13, though that does not exclude other ages from learning key program concepts too. We encourage parents to adjust the complexity of the program based on their children's development level.

What is the cost?

Free

Will this overlap with a classroom economy if my child's teacher participates in that program?

No

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Sample materials

The following sample materials are available under the “Materials” tab on our website.

- Tracking Tool
- Money (\$5, \$10, \$20, \$50, \$100)
- Job Application
- Paycheck
- Bank Log
- Rent Log
- Bank Slip
- Unpaid Rent Notice
- Offense Log

Additional materials are available online at: <http://home.myclasroomeconomy.org/materials>

Please contact us at CESupport@vanguard.com if you have any questions!