

CHAPTER 1
ACTIVITY

Clay's Candy Bar Madness

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OBJECTIVE

The purpose of this activity is to provide students with a "reality check" of what the typical American family faces and the perils of debt.

MATERIALS NEEDED

Five types of candy: Payday, Smarties, Dum Dums, Jaw Breakers, Milk Duds.
Total amount of candy bars should equal size of group.

PART 1: Dividing Up The Candy

Before class, you'll need to figure out how many pieces of each candy will be needed. Using the chart below, multiply the number of students by the percentage of each candy. For example, to find out how many Dum Dums you need for a class of 28 students, you would multiply 28 by the 70% on the chart, giving you 19.

Candy	Percentage	Example of 28 Students
Payday	2%	1
Smarties	10%	3
Dum Dums	70%	19
Jaw Breakers	16%	4
Milk Duds	2%	1

PART 2: Handing Out Candy

Throw all of the candy into a bag and allow students to randomly grab one piece each. You may want to stand at the door and allow them to choose their candy as they enter the class. Instruct them to wait until everyone is seated or until you say it's okay before eating any candy. **MAKE SURE THAT THEY HOLD ON TO THE WRAPPER.**

PART 3: Reality Tastes Kind of Sour

- Now, have the students who picked a Payday bar stand up. Explain that according to statistics, they represent millionaires. Then sequentially go down the list of all the other groups.
- Use the following chart to illustrate which people group they represent:

Candy	People Group
Payday	Millionaire's Club
Smarties	Debt Free and Living Large
Dum Dums	Normal: Broke, Busted and Disgusted
Jaw Breakers	Bankrupt: Zero, Zilch, Nada ("The American Dream")
Milk Duds	Death by Visa: Mounting Pressure and Debt

DISCUSSION QUESTIONS

Did you realize that 70% of Americans live paycheck to paycheck?

What's the leading cause of divorce? Money related problems.

What's the leading cause of male suicide? Financial problems.

Did you realize that most financial problems lead to emotional issues such as depression?

What did you learn from this lesson?

1. Payday: You Did It! You're a Millionaire.

- › Statistically speaking, you represent a portion of society that adheres to a financial game plan, avoids debt, invests early, and is wise with their resources.

2. Smarties: Debt Free And Living Large.

- › You've paid for your college education, your car, and your house—and you have a fully funded emergency fund.
- › You live within your means, save, and pay for things with cash.
- › You started saving for retirement a little late, but other than that you're looking good.

3. Dum Dums: "Normal," Broke, Busted and Disgusted.

- › 23-year-old college graduate
- › Total debt is \$45,000 (car: \$21,000; school loan: \$20,000; credit card: \$4,000)
- › Annual Income = \$40,000
- › Monthly Take-Home Pay = \$2,500
- › Total Monthly Expenses = \$2,125
- › You'll have to save for three months to get over \$1,000 in the emergency fund.
- › It will take you 10 years to pay off your student loan and five years to pay off your car and credit card by making only minimum payments.

4. Jaw Breakers: Bankrupt! Zero, Zilch, Nada ("The American Dream").

- › Married, 28 years old, two kids, and a dog
- › You and your spouse bring debt to the marriage totaling \$85,400: car loans = \$42,000 (two new cars); school loan= \$35,000; credit card= \$8,400
- › Annual Income = \$80,000
- › Monthly Take-Home Pay = \$4,700
- › Total Monthly Expenses = \$4,555
- › You'll have to save for more than seven months to get over \$1,000 in the emergency fund.
- › It will take you a minimum of 10 years to pay off your credit card, 15 years to pay off your student loan, and you always have a car payment because you can't save up for one given your current expenses.
- › Twelve years from now, you have no money in the bank and the kids need to go to college!
- › You can't make it, file bankruptcy, and most likely divorce.
- › 90% of divorces stem from financial disagreements.

5. Milk Duds: Death by Credit Card Debt.

- › Same as the "American Dream" example above, but add another \$100,000 in debt (credit cards, mortgage, cars, boats, furniture).
- › Under all the pressure, you may lose hope and commit suicide.
- › The number one cause of male suicide is financial stress.