

PAPERCLIP BUDGETING EXERCISE

INSTRUCTIONS:

- Gather 30 paperclips. For this exercise, place at least one paperclip in each of the following 14 categories based on the choice that you would prefer. I.e.: If there is one dash in front of the choice you would prefer, you will place one paperclip in that category, if there are 2 dashes, you will place 2 paperclips, and so on...
If you are doing this exercise with a partner, you will need to find a compromise that you can agree on between all the categories.
- You must use all 30 of your paperclips - no paperclip left behind!
- Once you have placed all your paperclips, note what decisions were easy and which decisions were hard. These choices might not resemble your life - but notice that every single category is a series about choices - and **about what you personally value.**
- **Now:** A big economic crisis comes to Paperclip City and your paperclip allowance gets cut. You need to find a place to remove 5 paperclips from. Remember, each category still needs at least one paperclip.
- What changed? What was easy to eliminate? What was hard? How did your values factor in? Did you and your partner disagree on any one category?

Budgeting is a series of choices with limited resources. No matter your income, you're still working with a limit on your resources - that means **you must make decisions about how you allocate your resources** - and the most crucial underpinning of that is meeting your needs and your wants based on **your values.**



1. CLOTHING

- Wear what you have, repair
- Buy clothing from thrift stores and garage sales
- Buy clothing from discount chains
- Buy clothing from name brand stores

2. TRANSPORTATION

- Ride a bicycle/walk
- Ride Public Transit
- Have a car with minimum legal auto insurance
- Pay for full coverage auto insurance

3. FURNITURE

- Use hand me down furniture and what you have
- Buy used at garage sales and thrift stores
- Buy new furniture from Target and Walmart
- Buy new furniture from high-end stores

4. AMUSEMENT

- Broadcast television, hanging with friends, picnics
- Basic Cable or Netflix
- Weekly movie, concert, or sports game
- Premium Cable

5. GROOMING

- Generic products and DIY Styling
- Discounted products & SuperCuts
- Name brand products and designer haircut

6. LAUNDRY

- Do laundry at a friend or relative's house
- Use laundromat
- Use own washer & dryer in own house/apartment

7. HEALTH INSURANCE

- No insurance, use public clinics
- No insurance, pay fine for lack of health care



- High Deductible health care plan
- Pay for individual ACA-compliant with lower deductible

8. TRAVEL

- Stay near home
- Travel domestically once a year by bus
- Travel by plane once a year
- Travel for pleasure/family internationally

9. FOOD

- Do all own cooking from scratch, bring lunch every day
- Do most of own cooking, buy name-brand grocery items
- 2 x week lunches and dinners at food carts & restaurants
- Daily lunch and dinner out

10. HOUSING

- Room in a shared house
- One Roommate in shared apartment
- Live by yourself (or with family only) in apartment
- Live by yourself or with family only in single family house

11. GIFTS

- Homemade gifts
- Buy small gifts for close friends & family
- Buy gifts for all friends & family birthdays and holidays

12. PHONE

- No phone, including no cell phone
- Prepaid basic cell phone
- Contract smart phone

13. OTHER CHOICES (MAY CHOOSE MULTIPLE)

- Monthly giving to charity or faith-based groups
- Drink alcohol and smoke rarely
- Regular fancy coffee drinks
- Drink alcohol and/or smoke twice per week
- Frequent alcohol consumption and regular smoking

14. SAVINGS

- Save nothing
- Save 5% of your income
- Save 15% of your income



Save 25% of your income

