

# Xavier saves his finances

Students participate in an interactive adventure on the importance of discipline in both financial and military missions and read about managing and limiting debt.

## Learning goals

### Big idea

Maintaining discipline is important to both financial well-being and military missions.

### Essential questions

- What effects can financial troubles have on a military career?
- How can I prevent financial problems?

### Objectives




- Understand how to manage and limit debt
- Explain how discipline and situational awareness can be applied to solve financial problems

### NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

## KEY INFORMATION

Building block:

-  Executive function
-  Financial habits and norms
-  Financial knowledge and decision-making skills

Grade level: High school (11-12)

Age range: 16-19

Topic: Spend (Budgeting, Buying things), Borrow (Managing credit)

School subject: JROTC/ROTC (Servicemembers)

Teaching strategy: Blended learning, Cooperative learning, Personalized instruction

Bloom's Taxonomy level: Remember, Understand, Apply

Activity duration: 75-90 minutes

### National Standards for Personal Financial Education, 2021

Earning income: 12-1

Spending: 12-1, 12-5, 12-8, 12-9

Saving: 8-1, 8-2, 12-9

Managing credit: 8-5, 8-6, 8-7, 12-2, 12-5, 12-7, 12-8, 12-9, 12-10, 12-12

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

## ABOUT

# Misadventures in MONEY MANAGEMENT

PRESENTED BY THE CONSUMER FINANCIAL PROTECTION BUREAU

Misadventures in Money Management (MiMM) educates, advises, and trains future and current servicemembers and their families on critical financial decisions and consumer rights. The program is available for use by all of the U.S. Armed Forces. MiMM follows the stories of seven servicemembers, each covering a different financial topic:

- Angela - Debit, credit & credit scores
- Cruz - Car buying tactics
- Dirk - Smart spending
- James - Impulse purchases
- Miya - Budgeting, saving & investing
- Sonya - Emergency relief & researching
- Xavier - Debt advice & student loans

MiMM focuses on some of the unique problems and solutions that servicemembers experience.

## What students will do

- Complete an online, interactive adventure independently or as part of a group.
- Read a handout and answer questions about managing and limiting debt.

## Preparing for this activity

- While it's not necessary, completing the "Distinguishing between credit myths and realities" activity first may make this one more meaningful.
- Print copies of all student materials for each student, or prepare for students to access them electronically.
- Become familiar with the Misadventures in Money Management (MiMM) online graphic novel at <https://mimm.gov/>.
- Review Xavier's MiMM adventure, "Debt advice & student loans." If time permits, it may be helpful for you to complete his MiMM adventure on your own before class.

### TIP

If your students have access to computers or tablets with Internet access, they can also complete the adventure as homework. Direct them to <https://mimm.gov/>, where they can complete the entire program, get a certificate of completion, and email their unique certificate to you or print it out. Students can only get a certificate for completing the entire program, not when they finish the character's story.

- Decide if you want students to complete Xavier’s MiMM adventure as a whole class, in small groups, or individually.
  - If you choose to complete the adventure as a whole class, obtain a computer with Internet access, a projector or smartboard, and speakers.
  - If you choose for students to complete the adventure in small groups or individually, provide them with computers or tablets with Internet access and with headphones to manage the noise.

## What you’ll need

### THIS TEACHER GUIDE

- **Xavier saves his finances** (guide)  
[cfpb\\_building\\_block\\_activities\\_MiMM\\_xavier-saves-finances\\_guide.pdf](#)
- A computer with Internet access, a projector or smartboard, and speakers (if you choose to complete the online portion as a whole class)

### STUDENT MATERIALS

- **Xavier saves his finances** (worksheet)  
[cfpb\\_building\\_block\\_activities\\_MiMM\\_xavier-saves-finances\\_worksheet.pdf](#)
- **What is debt?** (handout)  
[cfpb\\_building\\_block\\_activities\\_what-is-debt\\_handout.pdf](#)
- Computers or tablets with Internet access and headphones (if you choose for students to complete the online portion in small groups or individually)

## Exploring key financial concepts

When you borrow money, you have debt. Debt can be a problem when you owe money you can’t pay back. If you don’t repay the money, many lenders won’t lend to you and you may even have legal problems. The same skills that serve you well in the military – discipline, situational awareness, problem-solving, contingency planning, and the ability to make tough calls – can also be used to handle personal finances and help keep you out of debt.

Before you borrow money, it can be helpful to make sure what you’re buying is something you really need. It’s a good practice to make sure you don’t borrow more than you can repay with your future income. Making careful choices about spending and borrowing can help you avoid debt altogether.

Another way to avoid or get out of debt is to make a budget. A budget is a plan that you can use to track how much money you spend. With a budget, you can look for ways to spend less money. You might find ways to save, and it helps to write down what you spend so that you don't need to borrow money. If you do borrow money, a budget can help you make sure you can afford to repay that debt.

Sometimes it may be worth it to go into debt. For example, borrowing money to further your education with a certification, license, or a degree can help you get a better-paying job. This is an example of good debt but only if you finish your studies and your future income is high enough to allow you to pay back the amount that you borrow. Borrowing money to get a reliable car to get you to work might be another example of good debt if the loan terms fit your budget.

## TIP

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Because financial products, terms, and laws change, students should be encouraged to always look for the most up-to-date information.

## Teaching this activity

### Whole-class introduction

- Introduce the Misadventures in Money Management (MiMM) program if students aren't familiar with it.
  - MiMM is an online graphic novel in which students make decisions for the characters as they move through the story. CFPB created the program to educate, advise, and train current and future servicemembers on critical financial decisions.
  - The program focuses on some of the unique problems and solutions that servicemembers experience.
- Explain to students that they'll explore the MiMM character of Xavier.
  - Xavier is on an important mission to save the world from outer-space invaders, but his financial problems keep getting in the way.
- Start a discussion by asking students what kinds of things people borrow money for.
  - Possible answers include college, cars, or homes.
- Ask students to share what else they know about borrowing money and getting loans.
  - You can read the "Exploring key financial concepts" section to the class to add to the discussion.

- It can also be helpful to have students talk about some of the risks and benefits that come with borrowing money.
- Be sure students understand key vocabulary:
  - **Credit:** Borrowing money, or having the right to borrow money, to buy something. Usually it means you're using a credit card, but it might also mean that you got a loan.
  - **Credit score:** A number created from a scoring model that uses information from your credit history.
  - **Debt:** Money you owe another person or a business.
  - **Lender:** An organization or person that lends money with the expectation that it will be repaid, generally with interest.
  - **Loan:** Money that needs to be repaid by the borrower, generally with interest.
  - **Needs:** Basic things people must have to survive (such as food, clothing, and shelter), resources they may need to do their jobs (such as reliable transportation and the tools of the trade), and resources to help build and protect their money and property so they can meet future needs (such as emergency savings and insurance).
  - **Wants:** Upgrades and other things that would be nice to have but aren't necessary for living, income, or protecting what you have.

#### TIP

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Visit CFPB's financial education glossary at [consumerfinance.gov/financial-education-glossary/](https://consumerfinance.gov/financial-education-glossary/).

## Individual or group work

### Completing the online, interactive adventure at <https://mimm.gov/>

- Click "Explore a topic" and then "Debt advice & student loans" to access Xavier's adventure.
- Students can complete Xavier's adventure as a whole class, in small groups, or individually.
  - If you choose to complete it as a whole class:
    - Use the decision points in Xavier's story to spark discussions and decide as a class what choice to make.
    - Help students build their understanding by clicking on the suggested resources and additional information that come up throughout the adventure.
  - If students work in small groups or individually:
    - Move among the students to check on the decisions they're making and what they're learning from their choices.

- Encourage students to pause at each decision point and reflect on what happened to Xavier as a result of that choice.
- Help students build their understanding by encouraging them to click on the suggested resources and additional information that come up throughout the adventure. The suggested resources help students gather additional information to complete each character’s final challenge.

### Completing the worksheet

- Distribute the “Xavier saves his finances” worksheet and the “What is debt?” handout to each student.
- Students can work independently, in pairs, or in groups of three or four to complete the “Learning from Xavier’s experience” section of the worksheet.
- Students should read the handout independently.
- Once they’ve finished reading, they can answer the “Digging deeper” and reflection questions on their own.

### Wrap-up

- Bring the class back together.
- Ask volunteers to share their answers to the “Learning from Xavier’s experience” section.
  - Keep in mind that because students can choose their own path through the online adventure, each group or student could have a different experience.
  - Use their answers as a catalyst for a thoughtful discussion.
- Consider asking additional questions to extend the discussion. Possible questions include:
  - A debt collector calls Xavier. What are some things debt collectors can’t do if they contact you about a debt you owe?  
Answers could include:
    - Debt collectors can’t make repeated phone calls that are intended to annoy, abuse, or harass you or anyone answering the phone; use obscene or profane language; or make threats of violence or harm.
    - For servicemembers specifically, this also means debt collectors can’t tell your chain of command that you owe a debt, threaten any action they can’t legally take, like to prosecute under the Uniform Code of Military Justice or threaten to revoke your security clearance or get you demoted.

- If you've accrued debt before your military service, which law can help manage it?
  - The Servicemembers Civil Relief Act (SCRA) can put a 6% interest cap on many types of debts you accrue before your military service. The SCRA also limits some actions creditors can take against you.
- Ask volunteers to share their answers to the "Digging deeper" and reflection questions.

## Suggested next steps

Consider searching for other [CFPB activities](#) that address the topics of spending, including budgeting and buying things, or borrowing, including managing credit. Suggested activities include "[Analyzing budgets](#)", "[Making spending decisions](#)", "[Role-playing borrowing and lending](#)", and "[Understanding who shapes your money decisions](#)".

You can also consider having students review the "How can I enroll in Income-Driven Repayment?" handout in the interactive adventure.

## Measuring student learning

Students' answers on their worksheets and during discussion can give you a sense of their understanding.

The answer guide on the next page provides possible answers for the "Xavier saves his finances" worksheet. **Keep in mind that students' answers may vary.** The important thing is for students to have reasonable justification for their answers.

## Answer guide

### Learning from Xavier's experience

1. Name two important things Xavier learned about managing his finances.

**Answers could include:**

- **Some people find it helpful to apply the art of military planning to your financial life.**
- **For servicemembers, trouble with your personal finances can put your duty status, potential promotions, and even your military career in jeopardy.**
- **You should deal with financial problems, not avoid them.**
- **There are a lot of resources servicemembers can use to help them handle their finances.**

2. Xavier's commander says Xavier must deal with his money problem "as if it's a military mission." What does that mean?

**Answers could include:**

- **Showing discipline**
- **Taking responsibility for one's actions**
- **Being respectful**
- **Facing a problem head on**
- **Taking smart, decisive courses of action**
- **Making the right call**

3. Part of building financial well-being is the ability to know when to ask for help. Name two examples of when Xavier either relied on the advice of others or asked for help. How did this help him to succeed?

**Answers could include:**

- **His commander told him to deal with his money issues, so he took the call from the debt collector.**
- **He talked to a Personal Financial Manager (PFM) from his installation. This helped him improve his situational awareness, provided him with sound financial assistance, and helped him understand his options.**
- **Xavier's commander told him to send the SCRA letter to his creditors. When he did, it helped him stop avoiding his financial problems.**
- **His fellow servicemember told him to talk with his PFM about options for repaying his student loans. This helped him enroll in programs to help manage his payments.**



## Digging deeper: Understanding and managing debt

4. What are two things people can do to avoid debt?

**Answers could include:**

- **Plan ahead**
- **Manage your spending**
- **Spend less than you earn**
- **Have a plan to save money each month**
- **Create a budget (also called a spending plan)**
- **Track your spending**

5. What is one important thing to consider before using credit or taking out a loan?

**Answers could include:**

- **Make sure what you're buying with borrowed money is something you really need.**
- **Make sure you can afford the payments.**
- **Be sure not to borrow more than you earn.**
- **Be sure you know how much you owe.**
- **Make sure you can still save money.**

6. After learning more about managing and limiting debt, what advice would you give to a friend to help them get out of debt?

**Answers could include:**

- **Make a budget to plan your monthly spending.**
- **Think of ways to earn extra money.**
- **Sell stuff you no longer need.**
- **Limit spending on things you don't need.**
- **Contact the people you've borrowed money from, explain what's going on, and try to work out a new payment plan with lower payments that are easier to manage.**

Reflection questions

Answers may vary.