Dear Parents,

Your child will be participating in H&R Block Budget Challenge, the ideal playground for students to learn how to manage money. The simulation engages students to ‘learn by doing’, so 'rookie' mistakes are corrected by educators and parents rather than punished with poor credit and costly fees.

H&R Block will award $3 million in classroom grants and scholarships throughout the competition including a $100,000 grand prize scholarship. Additional awards include:

* 60 opportunities for classroom grants up to $5K
* 132 opportunities for student scholarships of $20K
* Grand prize scholarship of $100K
* Student incentives during game play

Three in four children turn to their parents for financial information. Research tells us that it is beneficial for parents and guardians to discuss money management topics at home, particularly when supported with the right tools to have money conversations. Our Parent Link and Parent Resource page were built specifically to foster money management learning opportunities between parents and children.

In the simulation, students create an online account, receive a simulated paycheck, set aside some of their income into a 401(k) account as savings for retirement, and use remaining funds to pay simulated household bills. H&R Block Budget Challenge bridges personal finance topics to behaviors needed in real life, like routine checking of bills, account status, managing cash flow, and balancing near-term and longer-term financial goals.

Simulation scoring positively reinforces savings for retirement and punishes mistakes such as missing bill due dates, bouncing checks, going over the credit limit on their credit card, etc. In short, a dollar saved equals one point gained and a dollar incurred in fees equals a point lost. There is 150 point penalty for missing a bill due date (per instance). There are other penalties for high credit card utilization, driving uninsured, carrying outstanding balances and excessive balances at each vendor, just to name a few.

Bill notifications and other communications are delivered to the student’s email. Paychecks are direct deposited into the student’s online checking account with any 401(k) contributions routed directly to the savings account. Paycheck funds have a one-day hold prior to being available for use. Payment checks from the student are issued through the online bill-pay system that has a two-day processing window.

We will be creating H&R Block Budget Challenge accounts over the next weeks, working on budgets, and making product selections for household services through the simulation start date. Changes may be made to these selections up until 9 PM on the simulation start date. After launch, the only 2 things that may be changed are bank account type (per full monthly cycle) and 401(k) contribution (per paycheck). Please refer to the Official Contest Rules posted on the Home page for details.

To register for your free Parent Link account have your child login on their student account and go to Student Home> Parent Link. Once you have registered for your parent account, you will get online access to the information packet, leader board, schedule of events, and quiz results.

Thank you for your participation in this program.

Regards,

The H&R Block Budget Challenge Team