

IMPACT

 University of Idaho
Cooperative
Extension System

Fremont/Clark Counties, 49 West 1st North, St. Anthony, ID 83445; 208-624-3102

“Welcome to the Real World”

The Statement

Money management is one of the most important life skills to be learned. Learning by experience in this field can be very expensive. Area and state financial institutions report that many high school graduates do not have adequate training in financial management. Less than ten percent of all high school students have had an organized course on financial management. Even though they may be employed and received a salary, they lack the knowledge and ability to make the lifestyle choices and spending and saving choices necessary for successful money management. Area financial institutions reported to FCS Extension Educators that the greatest needs for education are in the areas of writing a check properly, balancing a check book, understanding the expense of “bouncing checks” and making appropriate spending decisions.

Youth are not always aware of how their career choice may affect their earning power. Earning power has an effect on lifestyle choices. Sound financial decisions and good financial management are imperative if youth are to be successful contributors to the well-being of the community in which they live.

Our Response

Family and Consumer/4-H Extension Educators in the Upper Snake River valley received a critical issues grant to purchase a career choice/financial management program for youth entitled “Welcome to the Real World.” The target audience is high school students.

“Welcome to the Real World” is an active, hands-on experience that gives teens a chance to explore career opportunities and make lifestyle and budget choices similar to those faced by adults on a daily basis. In the simulation participants assume they are 25 years old, single, on their own and have completed their basic education requirements. Students receive instruction and go through a hands-on process of putting money in a savings account, depositing money in a checking account, writing a check properly and balancing a checkbook.

Students look at career choices then draw their career out of a hat. Then they go to a sheet that gives them the salary (adjusted for this area) as well as the amounts they will have to pay for social security and income taxes. When they have determined their net income they begin to make choices for housing, transportation, insurance, groceries, etc. Each category has several options costing varying amounts of money. The options they receive in these areas are adjusted to reflect the costs in this area. Students are given a “real” checkbook with deposit slips and register. For each area students make a choice, write out a check and balance their checkbook. At the end of the exercise they draw a “Chance Card” that reflects emergency expenditures or unplanned income, which require budget adjustment.

Goals of this program are to: 1) Explore Careers, 2) Determine how career choices can be influenced by education, 3) Learn skills needed to manage finances, 4) Learn to write checks and balance a checkbook, 5) Learn the importance of saving

money, and 6) Explore alternatives that would help balance a budget.

Program Outcomes

Since 1998 six hundred eleven students in Bonneville, Fremont, Madison, Power and Bingham counties and the Ft. Hall Reservation have participated in “Welcome to the Real World.” Participants were surveyed to measure skills learned, knowledge gained, and attitudes changed in financial management and career choices. Results of the survey are:

- 99% agreed or strongly agreed that the program was interesting.
- 99% agreed or strongly agreed that the program was useful.
- 99% agreed or strongly agreed that the activities were helpful.
- 99.6% agreed or strongly agreed that participating in the program would be helpful in their future.

The survey also asked what skills they had learned that they did not have before taking the class.

Results of this survey are:

- 51% learned about career choices and educational needs.
- 23% learned how to write a check correctly.
- 44% learned how to balance a checkbook.
- 40% learned how to open a savings account.
- 49% learned how to keep track of savings.
- 75% learned how to balance income and expenses.
- 83% learned how to prepare a spending plan.

Students could make comments about the program on their evaluation. Here are a few of the comments we received.

- I learned that money doesn't grow on trees. When I see my parents stress about bills I understand why. I'm going to college before starting the real world.
- I know for sure that I am going to college so that I can get a job that pays well.
- It has [shown] how much my parents have to pay to live.
- It's important to choose a job that you enjoy and pays enough for your needs. Sometimes you will

have to give up some wants. Money is good to have.

- I realized that more expenses could come up unexpectedly.
- Money doesn't go as far as you think it should, and you need to be careful and watch how you spend it.
- I learned you can't get the things you want with a dead end job, and sometimes you need more than one job!
- I will work it out so I have enough money to live life the way I want to and not bounce checks. I will go to college to get a job and get more experience so that I will get a better job and more money.
- I really never thought of insurance, food, and clothing. But with this I got the whole picture of what the “real world” is.

For More Information

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