

IMPACT



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“Welcome to the Real World” Positively Impacts Youth Financial Management Skills, Knowledge, and Attitudes

The Situation

For teenagers to be successful they need an understanding and practical experience in managing money. Their main source of knowledge about personal finance is from their parents and only 51% of parents believe they understand financial matters well. In a 2004 financial literacy survey, high school seniors correctly answered only 52.3% of multiple choice questions. Teenagers in the United States spend an average of \$103 per week on items at their own discretion. Money management skills are particularly important to Idaho teens since Idaho is in the bottom third of the nation with a household median income of \$37,372 and ranks in the bottom quintile of per capita income with only \$17,841.

Our Response

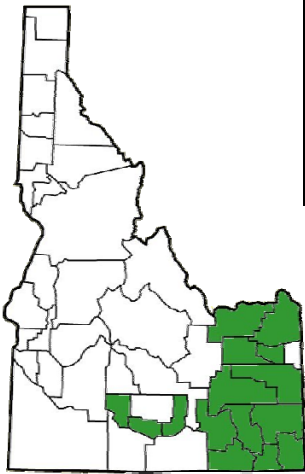
Idaho Extension Educators responded to requests by local teachers and county advisory committees by offering Welcome to the Real World, an experiential learning simulation on career exploration, decision-making and money management. In the simulation participants assume they are 25 years old, single, on their own, and have completed the basic education requirements for the job they draw out of a hat. 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. They learn about the different budget categories and the

percentage of their income that should be allocated for each. Based upon the salary for the “career” they have randomly selected, students select and write a check for housing, transportation, insurance, utilities, groceries, clothing, and entertainment. Each category has several choices with varying dollar amounts based upon the prices in their community. Students are also taught the difference between a debit card and a credit card. They are given the choice to use a debit card instead of writing a check for some of the categories. The final category is a chance card, which includes real life situations that occur but cannot be anticipated. After the evaluations of the simulation are completed the students are rewarded with a \$100 Grand or Pay Day candy bar.



Program Outcomes

Since 1998, an increasing number of youth in Idaho counties and the Fort Hall Indian Reservation have participated in “Welcome to the Real World.” This program has been conducted in high school family and consumer sciences classes, consumer economics classes, business classes, at alternative high schools, and in 4-H clubs.



Year	Participants
1998-9	611
2000-1	951
2002	1453
2003	2086
2004	3896

A post survey was given to those who participated in the program. Students were asked to rate their level of agreement on a scale of one to four (1=strongly disagree, 2=disagree, 3=agree, 4=strongly agree).

- 94% agreed or strongly agreed, the program was interesting.
- 99% agreed or strongly agreed, the information was helpful.
- 93% agreed or strongly agreed, the activities were helpful.
- 96% agreed or strongly agreed, participating in the program will help them in the future.

Students were asked to describe how their view of life in the future had changed due to participating in Welcome to the Real World program.

- I learned how to balance a checkbook.
- Well it open(ed) my eye to how much things really cost.
- I will make sure I'm not a taxi driver.
- I view life different. I will save money so I can be a rich grandpa.
- I know what budgets really are and I need to take college seriously so I can support myself. This stuff is extremely important to me now.

Other Contributing Faculty:

April Ward—Bannock
Sharlene Woffinden—Bear Lake
Scott Nash—Bingham
Danielle Gunn—Fort Hall Reservation
Stuart Parkinson—Franklin
Laura Sant—Franklin
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For More Information

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