



“Welcome to the Real World” simulation assists students in Treasure Valley

The Situation

The average student who graduates from high school lacks basic skills in the management of personal finances, according to a 2008 survey by the Jump Start Coalition for personal literacy. Many are unable to balance a checkbook and most simply have no insight into the basic survival principles involved with earning, spending, saving and investing. On the 2008 high school financial literacy survey, seniors answered only 48.3% of the questions correctly. This is a drop from a 2006 survey, and illustrated that most students are not prepared to manage financial issues. Today’s teens, in adulthood, will be required to take more personal responsibility for actively managing their financials than any previous generation. Those who understand budgeting, credit, debt and living within your means will have a significant advantage over those who do not. These concepts are integrated into the “Welcome to the Real World” simulation.

Our Response

Southern District Family and Consumer Sciences Extension Educators responded to requests from local high school and junior high teachers by offering “Welcome to the Real World” (WTTRW), a simulation on personal financial management, budgeting, savings and career exploration. Students receive instruction and go through a hands-on process of selecting a career, receiving a paycheck, 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 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 or on-line bill pay instead of writing a check for some of the categories. The last activity is random selection of a chance card. Chance cards contain real life situations that can occur without warning, such as a flat tire.

Program Outcomes

During the two years the program was offered, 284 students participated in “Welcome to the Real World” simulation. WTTRW was taught to high school and junior high classes such as consumer economics, math, careers, school to work, and family consumer science. A post-survey was given to students who completed the program. Students were asked to rate their understanding of eight concepts taught in the lessons.

Table 1: Top six skills students learned.

Skills Learned	Percentage learned
Understand the budget percentages for different expenses	75%
How to open a savings and checking account	52%
How to set up and use online banking	51%
How to balance a checkbook	48%
Understand the “time value” of saving money	46%
Understand the relationship between education and potential earnings	43%

Participant Comments:

Students were asked how their view of life in the future changed as a result of participating in the “Real World” program:

- “It has showed me the importance of being in control of my income and budgeting.”
- “It makes me want to get a good paying job.”
- “I think it was really cool because it helps us prepare and learn for later in life.”
- “It has changed so much! I am now thinking of what kind of job I want and what kind of education I will take in high school.”
- “I learned that it costs a lot to live and that I need to save money.”
- “I realize it is a good idea to stay in school and keep track of your checking account.”

Students indicated this simulation helped them to think about future finances and relate their spending goals to future schooling and saving habits. Students reported that habits learned while they are in high school will benefit their future. The “Welcome to the Real World” project will continue to offer a hands-on simulation to interested high school and junior high classrooms in the Treasure Valley.

FOR MORE INFORMATION

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