

## “Welcome to the Real World”

### *The Situation*

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 10 percent of all high school students have had an organized course on financial management. Even though they may be employed and receive a salary they lack the knowledge and ability to make the lifestyle choices and spending and savings 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 checkbook, 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 educational 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. Each career slip lists the basic education necessary for that job. 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. Their options are adjusted to reflect the costs in this area. Students are given a “real” checkbook with deposit slips and register. For each expense 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.

## ***Achievements***

Since 1998 171 students in Bonneville and Fremont Counties 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:

?? 96 percent agreed or strongly agreed that the program was interesting.

?? 98 percent agreed or strongly agreed that the program was useful.

?? 96 percent agreed or strongly agreed that the activities were helpful.

?? 94 percent 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:

?? 59 percent learned about career choices and educational needs.

?? 26 percent learned how to write a check correctly.

?? 48 percent learned how to balance a checkbook.

?? 37 percent learned how to open a savings account.

?? 55 percent learned how to keep track of savings.

?? 75 percent learned how to balance income and expenses.

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

?? Having a budget is really important so I will have enough money for my expenses.

?? It has made me look at living alone. It is a big responsibility and requires a lot of money. This activity really helped me.

?? The program changed me because it showed me how many things there are to pay for, even though I didn't want them. Example: Utilities.

?? It is hard to get the things you want without a good job.

?? (To make ends meet on this salary) Get a better education and get a roommate.

?? I felt you ladies were very interesting, Normally I would just sleep but you made it fun. I learned a lot and now I feel ready to face the real world.

## ***The Future***

This program has proven to be interesting and useful for high school students. The demand is growing as teachers recommend it to their peers. We plan to continue to offer this program in area schools. Requests are now coming in from outside our area and plans are being made to train other interested FCS and 4-H Extension Educators to present this program.

## ***Participating Faculty***

Lorie Later, Jefferson County

Barbara Petty, Bonneville County

Michelle Pike, Bonneville County

Janice Stimpson, Fremont/Clark Counties

## ***For More Information***

Janice Stimpson, Extension Educator

Fremont/Clark Counties

49 West 1st North

St. Anthony, ID 83445

Phone: 208-624-3102

Fax: 208-624-4442

E-mail: [jstimpson@uidaho.edu](mailto:jstimpson@uidaho.edu)