

## Real Money, Real World Program Overview

*Real Money, Real World* is an active, hands-on experience that gives young people the opportunity to make lifestyle and budget choices similar to those they will make as adults. It is intended to be a partnership of the county OSU Extension office, the school, and the business community.

*Real Money, Real World* consists of three parts:

- A pre-simulation preparation
- A hands-on budget management and decision-making simulation
- A post-session evaluation of choices made.

These are just a few of the comments expressed by young people who have participated in the *Real Money, Real World* program offered by OSU Extension.

*“All my expenses cost more than I ever thought!”*

*“It makes me want to save just in case of unexpected incidents.”*

*“It helped me learn how to balance my money more.”*

*“I realize that I definitely need a college education to live well.”*

### How does the program work?

Prior to the simulation, teachers prepare students for the simulation by going through the following four simple lessons:

Lesson 1: How Occupation Affects Income

Lesson 2: Deductions—What You See Is **Not** What You Get

Lesson 3: How to Use Checking and Savings Accounts

Lesson 4: Making Choices—Preparing for the Simulation

The participants select or are assigned occupations, then receive a monthly salary for that occupation, and a savings and checking account register. After subtracting the savings, taxes, and health insurance amounts, the “net” salary figure is deposited into the checking account and recorded in the check register.

Then in **Lesson 5**, students proceed through the *Real Money, Real World* simulation. The simulation normally lasts about an hour.

Community volunteers set up and staff booths representing real-life businesses. In this simulation, participants are to assume that they have completed

basic educational requirements for their chosen career and are the sole income providers for their families. Students spend their “salaries” on items found in a typical monthly budget. They do this by visiting the appropriate booths: housing, transportation, insurance, utilities, food, clothing, entertainment, child care, communications, contributions, and credit. In addition, chance and financial advice booths are included. Throughout the activity, the participants keep track of their finances by recording them in the check register. Whether they have adequate funds or run out of money, they continue through the simulation and finish with either a positive or negative balance.

**In Lesson 6**, teachers and students discuss the *Real Money, Real World* experience. Students complete a participant survey to evaluate the program and their experience with it.

### How did they do?

“I did not have enough money to meet my expenses” is often a response of participants after completing the *Real Money, Real World* simulation. Some finish with a positive checking account balance, while others have a negative balance. Participants must understand that a negative balance (overdrawn account) in real life can have dire consequences! During a post-simulation evaluation session, students examine the spending choices they made. If they had a negative balance, they consider what alternatives might be taken, such as:

- Getting more education/training, thus improving earning potential
- Balancing expenses to income by making wiser consumer/lifestyle choices and developing a realistic spending plan
- Selecting a different occupation

This post-simulation reflection and assessment is a very important part of the *Real Money, Real World* program.

### Goals

- To increase participants’ awareness that level of education and career influence future income.
- For participants to understand that spending money on one thing affects what they can spend on other things.
- To increase participants’ awareness that income and lifestyle choices affect the amount of money available for discretionary spending.

## Objectives

To increase participant awareness related to:

- What it costs to maintain a household
- What it costs to care for a child
- How much money is deducted from paychecks for taxes and insurance
- How every spending decision affects other spending opportunities
- What type of education it takes to get the job you want
- How the type of job you have affects how much money you will make

## Performance Outcomes

Participants will place more importance on and plan for changes related to:

- Doing well in school
- Getting more education or training after high school
- Waiting until financially ready before having children
- Having a plan for spending that includes both needs and wants
- Learning how to make wise financial decisions
- Saving money regularly

## Financial Literacy: Ohio Education Requirement

Interest in teaching personal financial literacy is getting renewed attention across the country, including the state of Ohio. In December 2006, the Ohio legislature passed S.B. No. 311 requiring that all Ohio schools implement personal financial education. Beginning with students who enter ninth grade for the first time on or after July 1, 2010 . . .

. . . Each school shall integrate the study of economics and financial literacy, as expressed in the social studies academic content standards

adopted by the state board of education under section 3301.079 of the Revised Code, into one or more existing social studies credits required under division (C)(6) of this section, or into the content of another class, so that every high school student receives instruction in those concepts. In developing the curriculum required by this paragraph, schools shall use available public-private partnerships and resources and materials that exist in business, industry, and through the centers for economics education at institutions of higher education in the state. Source: (6)(b) of Ohio Revised Code 3313.603

*Real Money, Real World* supports the social studies content standards mentioned above (Economics Benchmark E, Grades 11-12) as well as Ohio's Family and Consumer Sciences Content Standards (Standard 3: Demonstrate Personal Financial Literacy) (See Ohio Department of Education at [www.ode.state.oh.us](http://www.ode.state.oh.us)).

It also reinforces many of the concepts and skills identified in the following national standards:

- Jump\$tart Coalition for Personal Financial Literacy: National Standards in K-12 Personal Finance Education (2007), [www.jumpstart.org](http://www.jumpstart.org)
- National Business Education Association: National Standards for Business Education (2001), [www.nbea.org](http://www.nbea.org)
- National Council on Economic Education: Voluntary National Standards in Economics (2003), [www.ncee.net/ea/standards](http://www.ncee.net/ea/standards)
- National Council for Social Studies: Curriculum Standards for Social Studies: Economics (1994), [www.socialstudies.org/standards](http://www.socialstudies.org/standards)
- National Council of Teachers of English: Standards for the English Language Arts (1996), [www.ncte.org/about/over/standards](http://www.ncte.org/about/over/standards)
- National Council of Teachers of Mathematics: Principles and Standards for School Mathematics (2000), <http://standards.nctm.org>



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