



Outcomes of Participation in *Real Money, Real World* 2007 Statewide Evaluation Executive Summary



The Issue: Youth Financial Literacy

Each year, America's high schools graduate thousands of young adults who are unprepared for the world ahead of them, particularly in important matters of employment and financial decisions affecting their lives.¹ From learning how to manage a paycheck to pay for necessities to understanding how income is earned, the need for financial education is stronger now than ever.² By failing to provide youth with a sound understanding of personal finances, we can expect them to make financial misjudgments and errors as adults.

Considering the relationship between education and income, on average, people with higher degrees earn higher incomes.³ Given the direct correlation between education, employability, and earning, there is a sound rationale for being concerned about the educational levels of Ohio citizens. Despite the link between education-attainment level and earning power, too few Ohioans are aware of the connection and too few aspire to and attain postsecondary education.⁴ Without creating measures to increase youths' awareness and abilities related to the skills needed for financial success, we cannot expect them to sustain themselves in today's economy.

"When parents say they have no money when you ask them, they are most likely telling the truth. Living cost a lot more money than you think."



Students participating in *Real Money, Real World* attempt to balance their budget.

The Role of Youth Organizations

Researchers state that schools alone cannot tackle the task of preparing financially literate youth.⁵ Youth development organizations have a unique opportunity to help young people develop financial skills and gain experiences they need to become efficient and successful adults. Effective personal financial management is not something students can develop by memorizing terms and phrases. It is a skill that students learn when given the opportunity to apply concepts and practices as part of thoughtfully designed curriculum.⁶

OSU Extension's Response: *Real Money, Real World*

Research indicates that highly interactive, reality-based courses in money management that provide intensive and applied instruction in personal finance are more effective in developing financially competent teens.

In 2003 a team of OSU Extension professionals developed *Real Money, Real World*.⁷ The curriculum was created to simulate real-life experiences to help make youth aware of the money management skills they need to be productive and successful members of society. The curriculum focuses on making students aware of the correlation between educational attainments and earning power. *Real Money, Real World* programs are designed to be a partnership of the county Extension Office, the school, and the business community.

Real Money, Real World Curriculum

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. The curriculum includes six lessons:

- (1) How Occupation Affects Income
- (2) Deductions— What You See is Not What You Get
- (3) How to Use Checking and Savings Accounts
- (4) Making Choices— Preparing for the Simulation
- (5) *Real Money, Real World* Simulation
- (6) What Did You Learn?

Students assume the role of a 25-year-old adult and receive an occupation, monthly salary, and the number of children they are raising. Students learn to subtract savings, taxes, and health insurance amounts from their income. The amount of money left over is what they have to spend during the simulation activity. The simulation involves community volunteers setting up and staffing booths representing real-life businesses. By visiting the appropriate booths, students spend their salaries on items typically found in a monthly budget.



"The real world simulation was a lot of fun and taught me more than a book ever would."

Students ponder what choices to make at the "Chance" booth during a *Real Money, Real World* simulation in Franklin County.



Support for this project provided by the Ohio 4-H Foundation
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A Statewide Evaluation

To evaluate the impact of this curriculum, a statewide evaluation of Ohio 4-H programs using the curriculum was initiated. Local Extension professionals had an opportunity to apply for small grants provided by the Ohio 4-H Foundation to be used to implement the program. Funded counties as well as a few additional non-funded counties submitted data for the evaluation.



Data was collected through student self-assessments and teacher feedback. The evaluation assessed the benefits of programs using the *Real Money, Real World* curriculum. The evaluation sought to determine students' perspectives on the extent to which they had become more aware about the major concepts presented in the curriculum and the importance of what they learned. Questions also related to whether or not they planned to change their behaviors as a result of their participation. Teacher feedback forms assessed the benefits perceived from their students' participation in the program.

Who Participated

Data were collected from programs conducted from February to December 2007 in 19 counties. Within these 19 counties, 3,563 students in 47 schools contributed data .

- Schools were in rural, suburban, and urban school districts across the state
- Nearly equal percentages of females (51%) and males (49%)
- Youth were in the 5th grade through the 12th grade
- Youth ranged in age from 9 to 19 years old
- 51% of participants were in middle school
- 32% of participants were in high school
- The majority were in the 8th (36%) or the 12th grade (15%)
- 17% percent of students were in multi-grade programs
- The largest percentage of participants were 14 (29%) or 13 (18%) years old

Conclusions and Recommendations

The outcomes of this statewide evaluation show that the use of the *Real Money, Real World* curriculum yields positive results. Key findings indicate that the curriculum accomplishes its goals of raising awareness, changing attitudes, and motivating students to plan for behavior changes concerning financial management, education, and career choices. Youth reported that participating in the program was very beneficial, and teacher feedback indicated that youth were very involved and interested in the topics presented. In a time when instruction in personal finance is increasingly critical to the effective development of financial competence, the use of the *Real Money, Real World* curriculum is strongly encouraged.

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To view the full report and for a complete list of references, please visit: <http://www.ohio4h.org/workforceprep>



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Key Findings

Data showed that the program made a dramatic difference in raising youths' awareness about the costs to maintain a household, as well as an awareness of the interrelationships of education, job, and money. Youth indicated an increase of importance regarding financial issues and a better understanding of what is involved in earning, spending, and managing money. Results showed the curriculum was successful in providing motivation for intent to change behaviors by enhancing

Awareness

Those responding "a lot" (N = 3, 529)

Awareness of Financial Concepts Resulting from Participation in <i>Real Money, Real World</i>						
How much did you realize...	Not Much		A Little		A Lot	
	Before	After	Before	After	Before	After
How much is deducted from pay	27%	3%	43%	22%	31%	75%
Cost to care for a child	28%	5%	39%	15%	33%	81%
Effects of spending decisions	21%	4%	46%	18%	34%	78%
Cost to maintain a household	15%	3%	49%	14%	36%	83%
Relationship of education and job	10%	4%	34%	16%	56%	79%
Relationship of job and money	8%	3%	31%	11%	61%	86%

Importance

Those responding "a lot" (N = 3,529)

Importance of Financial Concepts Resulting from Participation in <i>Real Money, Real World</i>						
How important did you think this was...	Not Much		A Little		A Lot	
	Before	After	Before	After	Before	After
Having a spending plan with both needs and wants	18%	3%	48%	19%	34%	77%
Learning how to make financial decisions	18%	2%	43%	16%	39%	82%
Saving money regularly	18%	3%	40%	14%	42%	82%
Waiting to have children until financially ready	16%	4%	36%	14%	48%	82%
Getting more education after high school	8%	3%	33%	13%	59%	85%
Doing well in school	6%	3%	29%	10%	65%	87%

Intent to Change

Those responding "a lot" (N = 3,529)

Intentions to Change Behavior Resulting from Participation in <i>Real Money, Real World</i>			
How likely is it that you will make changes in...	Not Likely	Somewhat Likely	Very Likely
Doing well in school	9%	30%	61%
Having a spending plan with both needs and wants	6%	32%	63%
Waiting to have children until financially ready	8%	24%	68%
Saving money regularly	7%	25%	69%
Getting more education after high school	8%	20%	72%
Learning to make financial decisions	5%	22%	73%

References

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4. CHEE (2004)
5. Boyce, L., & Danes, S.M. (1998)
6. Mandell, L. (2001)
7. Bridgeman, B., Clements, J., Crum, B., Dalzell, J., Hudson, N., King, A., McNeely, N. N. Varley, I., Williams, R., & Woods, D. (2003)