



real **MONEY.**

real **WORLD.**

Real Money. Real World. is a financial literacy program for youth in grades 7-12, produced by Ohio State University Extension. The goal of this program is to increase participants' awareness of how education and career pathways influence personal income and financial security, increase knowledge of money management tools, and to experience making lifestyle choices and budgeting decisions through a spending simulation.

This program is meant to be delivered in partnership with local Iowa State University Extension and Outreach staff, the school, and community partners. There are three components to the program and trained Extension staff will coordinate the delivery of the lessons and work with local community partners to volunteer with the spending simulation. The three components include: four preparatory classroom lessons, a spending simulation, and then a post-session debriefing to reflect on their learning experience.

LEARNING OBJECTIVES

Student participants will gain the following learning experiences from the program:

- Analyze the cost and benefits of obtaining education or training after high school.
- Identify the costs associated with childcare and maintaining a household.
- Develop a spending plan that includes both needs and wants.
- Describe common deductions for taxes, withholdings, savings and insurance.
- Distinguish how lifestyle decisions impact financial future.

LESSON TOPICS

Part I: Preparatory Classroom Lessons

Prior to the spending simulation, the Extension facilitator and/or teaching staff will prepare the students by providing the following classroom lessons. Each lesson is 45 minutes to one hour in length and will challenge participants to prepare their monthly budget based on their salary from occupation assigned and the respective monthly living expenses.

- Lesson 1: Training, Jobs and Income
 - » The role of education in determining career and income, costs of education, methods of paying and the decision to take out student loan, and the minimum wage and federal poverty line.
- Lesson 2: Deductions – What You See is Not What You Get
 - » What are gross and net income, types of deductions, retirement savings, health insurance and other tax deductions.
- Lesson 3: How to Use Financial Services Wisely
 - » Types of financial services (bank, online banking, credit cards), emergency savings, and introduction to borrowing and credit score.
- Lesson 4: Making Choices – Preparing for the Simulation
 - » Needs versus wants, thinking about spending monthly income, overview of simulation stations and how to fill out their Simulation worksheet.

Part II: The Spending Simulation

Following the four lessons, the participants will be ready to take part in the Spending Simulation. This consists of 14 booths related to the monthly expenses and services they may need to utilize to provide for themselves and their families. In the simulation, each participant is playing the role of a 27-year-old adult working full time and has a spouse working part time as they go to school. They will work through their monthly budgets based on their income and number of children they support. The coordinator will work with community partners to recruit professionals to volunteer at different stations related to their profession, which may include:

- Banker
- Insurance Agent
- Realtor
- Grocery Store Worker
- Healthcare
- Financial Advisor
- Entertainment
- Childcare Provider
- Cell Phone Company
- Clothing Store
- Loan Officer
- Transportation

Part III: Wrap-Up Classroom Lesson

The final session is an important component as participants are able to reflect on their experiences and hear from those that may have had a different situation and how that may have impacted the decisions they had to make. This session will include post-reflection questions and time to complete a self-assessment evaluation.

OUTCOMES

Participants will be able to demonstrate awareness and behavior changes related to:

- The costs and benefits of obtaining education or training after high school.
- The costs associated with childcare and importance of financial stability to raise a child.
- Developing a spending plan that includes both needs and wants.
- Financial decisions that adjust spending to match income.
- Saving money regularly.

Iowa Department of Education Standards Alignment

While this program is meant for grades 7-12, we identified the following 21st Century Skills: Financial Literacy standards for grades 9-12 to align with the program best.

- SS-FL.9-12.14. Evaluate entrepreneurship, career choices and the effect on the standard of living.
- SS-FL.9-12.15. Evaluate the effect of taxes and other factors on income.
- SS-FL.9-12.16. Develop a saving and spending plan using a financial recordkeeping tool.
- SS-FL.9-12.17. Apply consumer skills to saving and spending decisions.
- SS-FL.9-12.18. Analyze the cost and benefits of different types of credit and debt.
- SS-FL.9-12.20. Investigate strategies to avoid and manage debt effectively.
- SS-FL.9-12.21. Evaluate short-term savings tools.

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