

IMPACT

University of Idaho
Extension

4-H Youth Development

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Youth gain valuable life skills through Welcome to the Real World program

AT A GLANCE

Youth financial education programming provides an opportunity for youth in the Treasure Valley to gain life skills in managing their money.

The Situation

Financial education for youth is typically not offered in the school systems, and many parents do not feel confident to teach their children financial concepts. Students are scoring low on national youth financial tests, young adults have billions of credit card debt, and student loan debt is in the trillions. As little as ten hours of personal financial education positively affects spending and saving habits of youth.

Our Response

The 4-H Youth Development program is in a prime position to provide youth financial education in a safe learning environment, allowing youth to make financial decisions without the real life risk. The experiential learning model that 4-H utilizes allows youth to experience an activity, reflect on the process and results of the activity, and apply lessons learned to another similar experience.

Welcome to the Real World (WTRW) is a financial simulation program for young people to experience and manage monthly budgeting. It allows youth to learn the correlation between level of education and earning potential, and experience budgeting and managing monthly living expenses. Students also learn about writing checks, using a debit card, paying bills via on-line banking and the value of keeping current balances in account registers. The simulation begins with youth drawing for a job and learning about level of pay, deductions and the level of educa-



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tion required for that particular job. Students learn about the importance of paying yourself first (savings), making wants vs needs choices in spending and the consequences of those choices when most or all of the bills for the month are paid. Expenses that youth budget and pay out of their monthly paycheck include housing, utilities, transportation, insurance, groceries, clothing and entertainment. Overspending may result in participants needing to get a second job that may be less than desirable and may result in not having time for entertainment.

WTRW has been offered 13 times in the last two years in Canyon and Ada counties to over 210 high school youth. Audiences have included workshops at a charter school, the Southwest Idaho Juvenile Detention Center, through a partnership with the Department of Labor and Idaho Youth Ranch program. With the exception of the charter school, all audiences may be considered underserved youth.

Program Outcomes

During the WTRW program students spend approximately an hour and a half experiencing “real life,” making wants and needs decisions, paying bills and ultimately recognizing the relationship of level of education and job opportunities. Comments made during the class include: “No wonder my Dad gets so frustrated paying bills!,” “How do I get my GED, I need to get a better job.”

At the conclusion of each class, students complete an evaluation rating eight learning indicators as “learned,” “already knew,” or “not sure.” Over 98 percent indicated that they either learned or already knew how to write a check, understand the difference between wants and needs and understand the “time value” of saving money. Ninety-four percent indicated that they either learned or already understand that there is a relationship between education and potential earnings and 92 percent either learned or already knew how to balance a checkbook register and understand that there are budget percentages for different expense categories.

Youth also stated on the class evaluations; “I’m not so scared to be an adult,” “There’s things that we need, not just what we want,” “I know I need to budget, and I can’t just spend,” “I need to pay more attention how I spend my money and savings,” “It was great, now I feel more confident about my future,” “I need to get an education to get a good job to pay for my expenses.”

The Future

Youth financial education helps youth build solid life skills of decision making and helps youth realize that they can affect their financial future while they are still young by continuing their education and forming good financial habits now. Youth financial education programs in addition to Welcome to the Real World should ideally be offered together to provide education in multiple elements of financial responsibilities.

FOR MORE INFORMATION

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