“Too many people spend money...to buy things they don’t want...to impress people that they don’t like.”
~ Will Rogers

“Financial peace isn’t the acquisition of stuff. It's learning to live on less than you make, so you can give money back and have money to invest. You can’t win until you do this.”
~ Dave Ramsey

Young adults in coming years will face financial challenges unrecognizable to their parents. Whether it is changes that will be coming with Social Security and Medicare, or the increased costs of education, they will be dealing with really tough financial choices. We call that “Real Life”.

Many have argued that financial literacy is one of the most critical skills that students should have as they begin their adult journey. One of the challenges though is how do you fit it into an already full academic calendar? This program is intended to help answer that question.
Research conducted for the OECD’s (The Organization for Economic Cooperation and Development) study on financial education indicates that the level of financial literacy is low in most countries, including in developed countries. In Japan, for instance, 71% of adults surveyed knew nothing about investment in equities and bonds, while surveys in the US and Korea found that high school students failed a test designed to measure students’ ability to choose and manage a credit card or save for retirement.

Perhaps more concerning, consumers often overestimate how much they know. In an Australian survey, 67% of those taking part claimed to understand the concept of compound interest but only 28% could find the correct answer to a problem using the concept. So before they can even start work on providing financial education to their citizens, governments need to persuade them it is needed.

Importance of Financial education for every young adult

The single most talked about issue today in the personal finance arena is no longer credit card debt, it is college loans. Over 1 trillion in college loans and rising. How do we help students understand the value that a college education has, and at the same time realize the costs that go along with it?

Students concerned about financial well being

Only 56 percent of teens in the survey think they will be as financially well-off or better than their parents. That represents a 37 percent drop from 2011’s figure of 89 percent. This dramatic decrease shows there has been a tremendous shift in the outlook on financial independence. Every generation’s goal is to be more successful than their parents’ generation.

Helping students understand their responsibility with their financial future is an important component in financial literacy.

College loans a looming concern

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Retirement is a lifetime away

A new study by American Financial found that: 19 percent of adults (ages 40 to 75) said they feel very prepared financially for retirement or the remainder of their retirement.

Yet students today view retirement as a lifetime away. How do we help them understand the reality they will be facing and their responsibility for their own future?
Overview of *Real Life* a financial literacy program

*Real Life*, a financial literacy forum, a day-long program held at a high school. It consists of a series of activities all intended to help students gain an appreciation for the importance that financial decisions will play in their lives as young adults.

The program, which is coordinated and run by Junior Achievement, involves up to forty business volunteers who work with the students during the day. Each volunteer has financial skills and is able to share their background with the students as the day proceeds.

The goal of the *Real Life* financial literacy program is to inspire students to appreciate the key issues surrounding personal finance and the importance of getting good advice as you make decisions.

What grade level is the *Real Life* financial literacy forum designed for?

The program runs at any grade level. However, we encourage schools to consider using it at the junior or senior levels in high school. At this age group, they are more inclined to be dealing with real financial issues like owning a car, or planning for college. We have found that the relevancy issue is much stronger because of this.

Which students should participate in the *Real Life* financial literacy forum?

The program is designed to give every student an opportunity to realize the importance that financial decisions will play in their lives as young adults. As a result, we require that the program be provided to all students at grade level.

What is the charge to schools for the *Real Life* financial literacy forum?

Junior Achievement provides this program to schools for free. There is some work required by the school to run the event such as preparing agendas, providing teachers to supervise discipline, and having a facility team available for set up and take down.
Volunteers act as financial advisors working with students on budgeting decisions in Budget Builder simulation.

The day begins in the auditorium with a brief opening. Then students go to the gym for the program.

The day divides into two sections. During the first half, students complete a budgeting simulation called Budget Builder. Half of the students participate in this activity.

The other half of the day consists of four thirty-minute modules. The remaining students divided into four groups. They will complete the four competitions.

Once the groups have completed this rotation and after lunch, they switch and complete the other half of the day.

The day concludes back in the auditorium with a wrap-up and awarding of prizes.

Students review information on fourteen expense categories in building their budget.
The *Real Life* financial literacy program has a number of fun activities built into the day. Business volunteers have an opportunity to work with students along the way introducing a number of financial topics in a non-traditional way.

### Price is Wrong

One way to introduce financial concepts is to immerse the students in fun, engaging activities.

The Price is Wrong is a team competition where students work to match prices to items. This activity helps students better understand that items they regularly use often are expensive.

### Insurance Jeopardy

Insurance plays a significant role in our financial planning. From auto, to health, to life, to liability insurance all are important.

Insurance Jeopardy is a team based competition intended to help students understand the basics of insurance concepts in a fun and engaging way.

### Financial Feud

Financial Feud is the way to bring financial literacy to a team competition. In this 30-minute activity, students will be asked a Financial Statement such as, “What are the top 7 expenses associated with going to the Prom”? The students work together with their team to guess the top answers on the board. Financial Feud will give the students a chance to earn points as a team and the winners for the day are recognized.
The Real Life game

Many of us remember the Milton Bradley board game “The Game of Life”. In this competition, students will be playing a life size board game that takes the game in a different direction.

Life is full of surprises and most have financial consequences. Learning to choose wisely is the key to this activity. Teams of students will compete with each other for winning scores. Prizes will be awarded at the end of the day.

The power of **Budget Builder** is the discovery learning that takes place as students deal with some truly challenging life scenarios. The simulation is intended to be an x-game focused on financial literacy with hard hitting, in your face, tough financial decisions that have to be made on the fly.

This life-like simulation immerses the student in fast paced hands-on learning where they are faced with difficult real world decisions. In 2 hours, **Budget Builder** provides a number of reflection points. Each of these teachable moments allows our financial volunteers to offer advice and options to students as they build their financial budget.

Unlike other financial literacy programs, **Budget Builder** is focused on the new realities. It’s a life changing experience that will leave participants aware of (1) the choices they make influence their lives for years to come (2) the importance of savings, and (3) the key core concepts involved in financial decision making.

In **Budget Builder**, each student is assigned their unique “life situation” which details their adult persona, including marital status, number of children (if any), education, employment and income. The life scenario, for example, might classify a student as a single mother with two kids, junior college education, and a sales associate job receiving an income of $40,000 per year.

Students then determine how much of their income is available to them each month after taxes, and they budget their money as they complete their budget.
Junior Achievement of South Central PA is pleased to be able to make this program available to local high schools, free of charge, thanks to the support of the business community.

**Business Involvement:**

There are two ways that a business can become involved with REAL Life.

1. **Provide professional volunteers**
   
   Each REAL LIFE day requires approximately 40 business volunteers. Depending on the size of the group, we need from 15 to 25 people to act as financial advisors for the budget builder activity. An additional 8 to 12 work with students on the four 30-minute activities. This is a full day assignment beginning at 9:00 AM and ending at approximately 2:30 PM.

2. **Provide financial support**
   
   Junior Achievement’s annual budget is over $2.0 million. Approximately 90% of this funding comes from the business community. REAL LIFE is one of many programs that require financial support.

   Sponsorship levels are available specifically for our REAL Life program. Typically, these range from $25,000 to $1,000. Recognition is sized to the level of support.

   - $1,000 – Name of your company in all of the collateral materials.
   - $5,000 – Smaller logo in all collateral materials.
   - $10,000 – Large logo in all collateral materials
   - $25,000 and up – Special recognition opportunities available

   JA scales recognition based on the level of support. For information on support levels, contact Tom Russell at Tom@jascpa.org.

**Educator Involvement:**

To help ensure that all students are on track for meaningful postsecondary engagement and success, the Pennsylvania Department of Education has included a measure of students’ career exploration and preparation under the Every Student Succeeds Act (ESSA). Every student is required to provide examples of engagement at 5th, 8th, and 11th grade.

Junior Achievement, in working with local school districts, has developed a series of templates for artifacts tied to students participating in the REAL Life program. These templates can be downloaded from the jascpa.org website under educator tab.

If your school has an interest in getting involved, please contact Heidi Potter at the JA office. You can do this by phone at (717) 843-8028 or by email to heidi@jascpa.org.
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