

# Process Evaluation of “Welcome to the Real World”: Exploring simulation-based financial literacy youth education program

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# Introduction

- Financial knowledge often improves with age and experience (Mandell, 2008).
  - 48.3% high school
  - 59% college freshman
  - 65% college seniors
- Improvements in financial knowledge could be influenced by the pursuit of post-secondary education
  - Financial constraints, lack of knowledge between education and income, and the opportunity cost of education (Johnson, et al., 2011).



# Problem Statement

- 83% of MS high school students obtain their high school diploma (Guo, 2018)
- Among the 4-year public colleges in MS,
  - 52.4% of all students completed their degree within 6 years (Atchison, 2018).
- Inability to complete a degree can be due to financial issues (Johnson, Rochkind, Ott, & DuPont, 2009).
- Immediate income needs may prompt some economically disadvantaged youth forgoing post-secondary education (Bozick & DeLuca, 2011).





# Response

- The Center for Economic Education and Financial Literacy (CEEFL) and MSU extension agents provide *Welcome to the Real World* as a financial education program
  - Hands-on activities, role-playing games, simulations, group work, and pre- and post-reflections improve learning and comprehension of financial topics (Jarvis, 2002; Johnson & Sherraden, 2007).
  - Simulation activities improve problem solving through hands-on real-life scenarios (Todd, et al., 2011; Towson, 2013).



# *Welcome to the Real World*

- Increase awareness of the link between
  - education level and career choices
  - income and lifestyle choices (discretionary spending)
  - family influences on spending
- Increase knowledge of money management tools used in daily spending
- Motivate students to plan for their financial futures by changing their attitudes towards education and career choices (Ferrari, et al., 2010)





# Purpose of the study

- Examine program adherence, dosage, quality of delivery, and participant responsiveness (Durden & Witt, 2012)
- Findings can be used to design a script, expense sheets and checkbook register worksheet to increase reach of the program
- Explore the relationship of financial education in high school on adult financial well-being



# Evaluation Questions

- Using post-program data from a participant retrospective pre-survey design, this study addressed the following questions:
  1. Are the necessary program functions being performed?
  2. Are the resources (introduction script, checkbook register worksheets, and expense sheets) being used effectively to increase participants' awareness of the link between education, income, and financial decision making?
  3. Are participants satisfied with their participation in the *WTRW* simulation?



# Procedure

- Participants recruited from a local high school's economic courses
- 13-item retrospective pre-survey
- CEEFL Director, professional staff member, and two student workers conducted the program
- Analysis on mean scores, frequencies, and Wilcoxon signed-rank test





# Results

- Two teachers from one local high school's economics courses
  - 10<sup>th</sup> grade through 12<sup>th</sup> grade
- Three class blocks (95 minutes each)
- 55 high school students
  - 28 male, 27 female
  - 3 program sessions ( $n = 18$ ,  $n = 26$ ,  $n = 11$ )
  - 45 retrospective pre-survey



# 1. Are the necessary program functions being performed?

Item	Satisfaction with <i>WTRW</i>
The instructions were sufficient to complete the checkbook register worksheet	88.9%
I had sufficient time to make a purchase decision for each expense	93.3%
I had enough time to complete all materials	91.1%



2. Are the resources being used effectively to increase participants' awareness of the link between education, income, and financial decision making?

Item	Knew Prior to WTRW	Learned in WTRW
Having a plan for savings and spending includes needs and wants	73.3%	95.6%
Having a savings account for emergencies	64.4%	93.3%
How expensive children are	53.3%	95.6%
Education level greatly impacts job type and earning potential	82.2%	95.6%
How much it costs to maintain a household	48.9%	95.6%





### 3. Are participants satisfied with their participation in the *WTRW* simulation?

Item	<i>WTRW</i> Satisfaction
This program gave me a better idea of what is involved in earning, spending, and managing money.	97.8%
I believe that participating in this program will help me in the future.	95.6%



# What were the most important things you learned?

- "Budget your money wisely. You can't always just get what you want"
- "Kids cost a lot. It's better for you and your spouse to have jobs first"
- "That even a decent paying job could still leave you with very little money to save"



# What actions do you plan to take?

- “Get a savings account”
- “Get a secure job”
- “Learn how to manage my money properly”
- “Make a written plan”
- “Be wise with options I choose”
- “Put more aside for savings”





# Discussion

- According to Wallet Hub,
  - highest percentage of families in poverty
  - second highest percentage of students with loans past due or in default
- Medical debt in MS remains the leading cause of bankruptcies (Roy Mitchell, Mississippi Health Advocacy Program)
- The fastest growing group of bankruptcy filers are 25 years of age or younger
- Access to financial literacy education in HS improves financial awareness among youth
- Improve outcomes of adult financial well-being



- Level of awareness was “a bit” or “a lot” more after the program:
  - education greatly impacts job type and earning potential,
  - costs to maintain a household and care for a child,
  - having a plan for savings and spending includes needs and wants, and
  - every spending decision affects other spending opportunities





# Limitations and Future Research

- Findings are of students in a single high school
- Course content may have provided previous exposure to some financial topics
- Responses could have varied had the program been administered by someone other than the CEEFL Director
- Examine outcomes from different
  - school types (e.g., city and county)
  - program facilitators (e.g., ES agent, CEEFL staff, and high school educators)





# Recommendations

- Incorporating *WTRW* to existing curriculum can increase awareness of money management
  - Develop script with or without an accompanying PowerPoint presentation
  - Develop supplemental financial education resources using technology (e.g., tablets, smartphones, and laptop computers)
    - Increase access to the content found in *WTRW*



# Recommendations

- Follow-up assessment to determine whether participants act on the knowledge acquired
  - Create a budget
  - Open a savings account
  - Seek other financial education resources



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