



# REAL MONEY. REAL WORLD.

## Results of the 2009 Follow-up Study

Released July 2009

**Financial literacy** is a major concern in today's society. From learning how to manage a paycheck to understanding credit to saving money to pay for necessities, financial literacy is essential to creating a competent consumer. Numerous studies conducted on American youths' understanding of basic financial concepts consistently revealed they have little knowledge of money management and do not possess adequate financial knowledge to be financially proficient in adulthood.



Interest in teaching personal financial literacy education is getting renewed attention across the country, including in the state of Ohio. Financial education can be an effective means of creating change. Researchers suggest that schools alone cannot tackle the task of preparing financially literate youth.<sup>1</sup> Following this logic, youth development organizations have a unique opportunity to offer programs that

help young people develop financial skills they need to become successful adults. There has been an increase in the development and delivery of financial education programs; these programs are offered by a variety of organizations, including Cooperative Extension.<sup>2</sup> With recent attention given to financial literacy, there is a greater interest in knowing how effective these financial programs are.

**Real Money, Real World** is one such program that addresses the topic of youth financial literacy. The curriculum was created by Ohio State University Extension professionals to simulate real-life experiences to help make youth aware of the money management skills they need to be productive and successful adults.<sup>3</sup> The program focuses on making students aware of the correlation between educational attainments and earning power, factors that determine income, understanding needs versus wants, typical monthly expenses for a family, factors that affect spending, and the importance of budgeting and saving.

### 2007 Statewide Evaluation

In 2007 a statewide evaluation investigated the program's effectiveness in raising awareness, changing attitudes, and motivating students to plan for behavior changes concerning financial management, education, and career choices.<sup>4</sup> 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 having an increased understanding of the importance of financial issues and a better understanding of what is involved in earning, spending, and managing money. Results also showed the curriculum was successful in providing motivation for intent to change behaviors.



### 2009 Follow-up Study

This study built on the 2007 statewide evaluation. Prior to the follow-up study, information documenting program outcomes had not determined whether students' behavior actually changed due to their program participation. Thus, the 2009 study sought to explore the extent to which participants in the *Real Money, Real World* program made changes in their behaviors after completing the program.



Approximately three months after students completed the program, the follow-up evaluation assessed behavior changes and barriers in the areas of financial, spending, saving, and educational behavior. A total of 332 students in the 6th through 12th grades from 5 counties in Ohio participated in the study. This study more clearly identified the impacts of the *Real Money, Real World* program.

*"The most important thing I have learned is that your decisions you make will affect you in the future."*



*“When I spend money, I usually think more carefully if I need it or if I really have enough money to buy it and it’s not too expensive.”*

## Key Findings

Students reported significant changes in their financial behavior after the program. Over 80% of participants reported changes in the extent to which they now repay money owed on time, set aside money for the future, and compare prices. Over three-fourths of students indicated they now think more carefully about spending money.

## Spending Behavior

Nearly one-third of the students indicated changes in all of the spending practices investigated. In addition, only 2% of students reported making no changes in spending.

Percentages of Spending Behavior Changes	No Change	Not Much Change	A Little Change	A Lot of Change
I think more carefully about spending money.	8%	13%	49%	30%
I save money for purchases.	9%	17%	45%	29%
I compare prices when shopping.	18%	21%	35%	26%
I try to only buy items I need.	20%	23%	41%	17%
I spend less money.	20%	29%	39%	13%
I have made changes in my spending habits.	12%	18%	58%	12%
I discuss spending money with my family.	43%	25%	23%	10%
I create a budget or spending plan.	38%	33%	25%	4%
I track my expenses/ have a record keeping system.	52%	30%	15%	4%

## Savings Behavior

In relation to savings behavior, over three-fourths of the students reported that they now understand the importance of saving money. Additionally, two-thirds indicated they now save more money than they did before the program. Over one-third reported changes in all savings practice categories. Only 4% of students indicated they made no changes.

*“I am more likely to save money now because now I know how much money it really takes to survive and support a family.”*



## REFERENCES

1. Boyce & Danes. (1998). Web site <http://hsfpp.nefe.org/loadFile.cfm?contentid=646>
2. Fox, Bartholomae, & Lee. (2005). *Journal of Consumer Affairs*, 39 (1), 195-214.
3. Bridgeman et al. (2005). *Real Money, Real World: A 4-H money management curriculum for youth* (4-H 441 GPM). Columbus: Ohio State University Extension.
4. Sotak, Ferrari, Hudson, Cochran, & Bridgeman. (2008). <http://www.ohio4h.org/workforceprep/documents/RMRWfinalreport.pdf>

Percentages of Saving Behavior Changes	No Change	Not Much Change	A Little Change	A Lot of Change
I understand the importance of saving money.	9%	13%	33%	45%
I think more carefully about saving money.	12%	20%	41%	27%
I save for specific purchases.	13%	24%	39%	25%
I save money more than before.	18%	19%	40%	24%
I compare prices when shopping.	22%	20%	34%	23%
I started saving regularly and put money aside.	16%	23%	41%	20%
I have made changes in my savings habits.	16%	23%	48%	14%
I discuss saving money with my family.	45%	22%	23%	10%
I track my savings/ have a record keeping system.	50%	27%	17%	7%

## Educational Behavior

Students reported changes of more than 50% in over half of the educational practices categories. Students reported the largest increases in discussing their career interests with their family, researching different types of careers, and making changes in their studying habits. Over one-third indicated changes in all the educational practice categories. Only 6% indicated no changes had been made.

Percentages of Educational Behavior Changes	No Change	Not Much Change	A Little Change	A Lot of Change
I discuss my career interests with my family.	23%	23%	33%	22%
I have looked into colleges or other training options for after high school.	26%	24%	30%	21%
I have done research about different types of careers.	24%	22%	37%	18%
I discuss my career interests with my friends.	25%	23%	35%	17%
I do better in school.	23%	26%	35%	16%
I have made changes in my studying habits.	24%	23%	40%	14%
I discuss getting more education with my family.	29%	27%	31%	14%
I discuss my career interests with my teachers or other adults.	42%	29%	19%	10%
I discuss getting more education with my friends.	36%	31%	24%	9%
I discuss getting more education with my teachers or other adults.	44%	29%	19%	8%

**Overall**, the findings of this study provide evidence that *Real Money, Real World* presents financial management in a way that appeals to youth. Students learn the advantages of adopting sound financial practices and are actually doing so after the program. The results reveal how follow-up evaluation can be conducted to investigate behavioral changes and barriers to adopting recommended practices. These positive findings serve to encourage the use of the program and for Extension educators to work with schools, communities, and parents in a unified effort to reach youth about financial topics.

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**For more information about *Real Money, Real World*** or to order the curriculum visit <http://realmoneyrealworld.osu.edu>