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Introduction and Overview

Background and Rationale

Money Matters: Make It CountSM is a Targeted Program in Boys & Girls Clubs of America's Education Core Program Area that supports the priority outcome of Academic Success. It is geared toward financial health through behavior change and the building of decision-making skills and confidence. A 2018 study from the American Psychological Association reported that 81% of young people aged 18-21 indicated money is their top stressor.¹ As a key program supporting Academic Success, Money Matters helps teens overcome this college and career readiness gap by preparing them to succeed as they begin to manage their financial lives.

Since 2004, Charles Schwab Foundation has helped more than 1 million Club youth gain critical money management skills such as goal setting, budgeting and saving. Money and money management affect teens' future work lives: career preparation and selection, managing benefits and earnings, employability, and being "present" for family and other responsibilities without the distraction of financial stressors. Equally important, through Money Matters and related programs, teens learn life skills: responsibility, self-confidence, communication, problem solving and decision making. Financial literacy can lead to workplace readiness, lifelong financial stability and overall success – a win for workers, employers and communities.

Money Matters was designed to increase the financial literacy skills of Club teens. The program aims to provide world-class financial education through the Club Experience, unleashing the full potential of teens to become productive, caring, responsible citizens. Money Matters equips teens with the decision-making skills to put them on the path to financial well-being and lifelong success. It was designed to lead to the following outcomes:

- Behavioral change in budgeting, saving and investing; managing credit and debt; and postsecondary planning
- Strong decision-making skills around finance
- Confidence in knowledge of financial products, tools and services

Research indicates that teens can benefit greatly from hands-on experience in making the kinds of financial decisions adults must make. While it may seem too early to expect teens to think about insurance or mortgage rates in their teen years, a young person who has never paid an insurance premium or written a check for rent may expect to live well on earnings from a job paying minimum wage. Teens who become familiar with the actual costs of living are less likely to spend carelessly and are more likely to start planning realistically for the future.

1 American Psychological Association. (2018). Stress in America-Generation Z. Accessed (3/1/2018) at: <https://www.apa.org/news/press/releases/stress/2018/stress-gen-z.pdf>

To give teens experience in making these essential decisions and extend the impact and relevance of the Money Matters Targeted Program, BGCA has collaborated with the Indiana Women's Education Foundation, Inc. (IWEF) in developing Reality Store, an interactive experience in which teens draw a salary based on a specific career and manage basic living expenses for themselves and a family. Through the continued generosity of Charles Schwab Foundation, Clubs and Youth Centers now have an invaluable resource for giving teens first-hand experience in the realities of adult life—understanding careers and salaries, managing income and expenses and planning savings and investments. As they participate in Reality Store, teens learn to make informed choices, evaluate their options, and plan for the future.

Objectives

Reality Store extends the impact of Money Matters: Make It CountSM, which builds the decision-making and behavioral skills of teens in core financial concepts such as goal-setting, budgeting, spending wisely, saving and investing. Reality Store reinforces these skills through an interactive experience in which participating teens:

- Envision the lifestyle they would like to have when they are in their late 20s
- Explore an occupation they may have as an adult
- Receive a checking account deposit equal to one month's salary from their desired job
- Spend their salary in Reality Store on necessities and "extras"
- Understand the importance of saving
- Handle some of life's unexpected events
- Discover whether their occupation provides the financial resources needed in order to live the lifestyle they want

Reality Store Overview

Teens gain first-hand experience in the types of financial decisions they will have to make as working adults as they visit a series of stations in Reality Store (see the detailed descriptions of various stations on the following pages).

- **BEGIN** with a salary based on a specific career. Prior to beginning their Reality Store experience, teens consider various occupations and select (or are assigned) a specific career. They receive a monthly salary for their occupation and discover their marital status and number of children. As the experience begins, teens record their salary in a budget tracking form, open a savings account, and make payments for any student loans they have.
- **MANAGE** basic living expenses. As teens visit the various stations in Reality Store, they make decisions and purchases that adults have to make, including housing, groceries, transportation, insurance, utilities, clothing, medical expenses, and “extras”. They deduct the cost of each item on their Budget Tracking Form. All teens must start with the Career Station in order to receive their salary.
- **ADJUST** for life’s unexpected events. At Life’s Unexpected Station, teens encounter a random life event. The event may result in either an increase or decrease in their finances, such as receiving an unexpected raise or needing to pay for car repairs. If the event results in a loss of money teens may have to visit a specific station to take care of it. For example, they may have an appliance break in their house and have to replace it, or have a traffic violation and have to seek both legal and insurance help. Another event is pregnancy, and teens learn the tangible consequences of this event, as it impacts all of the financial decisions they must make.
- **ASSESS** whether income meets financial needs. Teens keep a running total of expenses in their Budget Tracking Form to be sure they are not overspending. If they find that their funds are low or they are out of money, they may need to find a part-time job, choose less expensive items, or withdraw money from savings. They also have the option of visiting a financial counselor to get help in addressing the problem. In a wrap-up activity after the event, teens consider whether their career and life choices made it possible for them to live the lifestyle they would like to have.

Reality Store Models

There are many ways to run Reality Store. Clubs and Youth Centers should choose the model that best suits your needs.

STANDARD VERSION

It is recommended that Reality Store be implemented as a part of the Money Matters: Make it CountSM Targeted Program. Units 1 and 2 are designed to give teens the basics, and Reality Store enables them to apply what they learned from those units. Having teens experience Reality Store before facilitating Unit 3 provides teens with an interactive experience that enables them to apply the concepts that they learned in the first two units. It helps bring what they have learned so far to life. Subsequently, in Unit 3 teens reflect on and apply what they learned in Reality Store. The following Unit 3 sessions include Reality Store connections:

- **Session 1:** How does my credit score affect my financial future?
- **Session 2:** Risk management: how can I protect myself financially to reach my future goals?
- **Session 4:** What can I do to prepare for the long, long term (and stop working someday!)
- **Session 5:** How can I make sure that I am able to handle the unexpected?

Teen Preparation and Reflection Sessions

There are two additional sessions that you can implement as a part of the Money Matters program that you will find on pages 39-54 in the Preparing Teens section. The “Reality Store Planning” Session should be implemented right before your Reality Store event and will help teens prepare for the event such as choosing their careers and salaries. The “Reality Store Revisited” Session should be implemented right after the event up to a week afterwards which will aid teens in reflecting on their Reality Store experience so that they can apply that knowledge throughout the rest of Money Matters. They should complete this reflection session before you start on Unit 3. The “Reality Store Revisited” Session also includes reflection questions in the Teen Personal Finance Guide that teens can use throughout Money Matters to continue to help them link their Reality Store experience to the program. Below is the recommended implementation sequence:

- **Money Matters Unit 1:** My Life Right Now: How Do the Decisions I Make Now Impact My Future?
- **Money Matters Unit 2:** My Life After High School: How Do The Decisions I Make After High School Impact My Future Goals?
- **Reality Store Planning Session:** Reality Store Planning
- **Reality Store Event:** Real Life Simulation
- **Reality Store Reflection Session:** Reality Store Revisited

- **Money Matters Unit 3:** My Life in My 20's and Beyond: How Do I Stay On The Path Of My Life Goals?

Use the Standard Version of Reality Store to extend learning when you're running the Money Matters program.

Staffing Needs

It is recommended to have 1-2 volunteers per station, with a total of approximately 20 volunteers. It is also recommended that you add additional Club Professionals to help with the logistics. The ideal number of teens would be 20, or the total number of teens in your Money Matters Program. Gameplay will take approximately 1.5 hours and may run a little longer than your regular Money Matters sessions. You also want to add additional time for set-up and getting volunteers oriented to their stations once they arrive.

Mini Version

In this model, also offered after Unit 2 of Money Matters, two or more stations are combined into one for a smaller footprint that can be facilitated with fewer staff or volunteers. Use this model to extend the program if you're running Money Matters with a small group of teens. You can combine some of the stations and have one Station Manager manage 2-3 stations. You would need approximately 5-10 volunteers and gameplay will take approximately 1 hour. Below are a list of recommended stations to combine:

- Furniture and Electronics, Groceries
- Childcare, Transportation
- Life's Unexpected, Legal
- Clothing, Grooming
- Pet and Veterinarian, Charitable Donations, Entertainment and Travel

It is not recommended that you combine the following stations since these are typically high traffic Stations and will need at least one dedicated volunteer (two is optimal):

- Careers and Salaries
- Banking and Investing
- Housing
- Utilities
- Financial Counseling

Also, since teens select their careers and salaries at the beginning of the game, the traffic at this station will decrease as the game progresses. You could consider using that volunteer for stations at end of the game, such as Teen Evaluation if you need more volunteers.