

**Real Money™: A Financial Simulation for Young Adults**

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**Introduction**

This EFERMA conference poster will describe a new resource for teaching personal finance concepts to youth. *Real Money™... A Financial Simulation for Young Adults* is an interactive financial simulation program that helps teenagers and young adults understand how personal behaviors and decisions affect someone's finances and quality of life. While dozens of high quality financial simulations for youth exist and have been used successfully for several decades, most are very "resource intensive" and require a large room (e.g., gymnasium or cafeteria), months of advance planning, substantial photocopying, and dozens of volunteers to staff "stations" for various household expenses (e.g., landlord, utility company, car dealer, and insurance agent). In addition, because conventional simulations require so many resources to implement, they are often difficult for teachers to replicate in the classroom and are, therefore, not used with the students that they were designed for, due to logistical constraints.

*Real Money™* is different than other youth financial simulations because it is a "tabletop" financial simulation that is easy for teachers to replicate. There is no walking around to various stations in a large room. Rather, students are assigned one of five *Real Money™* scenarios and work in pairs or small groups to develop a spending plan for their fictional scenarios. The nine PDF files necessary to conduct a *Real Money™* simulation are conveniently available on a CD-ROM. They include a Teacher's Guide, a colorful game board, student and teacher evaluations, a resource list, and descriptions of the five scenarios. Initial training sessions with youth educators in August 2007 indicated that they appreciated the low-maintenance features of *Real Money™* and planned to use it with their students as a "capstone" learning experience at the conclusion of a basic personal finance course or program segment.

*Real Money™* uses scenarios about fictional individuals or couples at three ages- 25, 30, and 35 years. Working together, students discuss and plan the use of money within the context of each of the five scenarios. Like conventional simulations, *Real Money™* teaches students key concepts such as the relative cost of household expenses and the importance of prioritizing spending on needs versus wants. Students also learn the benefits of having insurance to cover large financial risks, the importance of saving money for unexpected life events, and the economic value of post-secondary education. A variety of ethnic backgrounds and income and educational levels are featured in the five scenarios. *Real Money™* also includes a variety of life events that are experienced by young adults including National Guard service, marriage, the birth of children, divorce, a car accident, lack of health insurance, student loan payments, graduate school, high credit card debt, and buying a home.

Also included in the *Real Money™* Teachers Guide is a series of debriefing questions and suggested answers for each scenario. The purpose of the debriefing is to help students focus on what they have learned and to transfer their learning to the next round of play (e.g., from the age 25 scenario to the age 30 scenario). Among the debriefing questions asked are: "What prevented [scenario character] from saving?" "How does education influence income and why?" and "What challenges did you face as you worked through the scenario?"

Developed by the New Jersey Coalition for Financial Education, in cooperation with Rutgers Cooperative Extension and with funding from the New Jersey Credit Union Foundation, *Real Money™* is available for use by financial educators worldwide. It was introduced at two conferences for teachers and youth educators in 2007. Three-month follow-up evaluations indicated that the simulation was used by about a third of the participants. Two comments were: *I used the simulations with a group of teens. It went over pretty well. Teens with the highest financial management skills really enjoyed it and I had my students work through the scenarios as a reinforcement to teaching on budgeting.*

*Real Money™* materials may be duplicated at no cost by nonprofit organizations and educators with acknowledgement of the source. To order a copy of the *Real Money™* CD-ROM, visit the New Jersey Coalition for Financial Education Web site, [www.njcfe.org](http://www.njcfe.org), or contact Dr. Barbara O'Neill.

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