



Impact of 2019-20 Youth Financial Simulations

Empowering youth with financial literacy and numeracy is vital to helping ensure that working adults have the skills they need to secure and keep housing, save money for large purchases, and effectively manage their monthly expenses. High school seniors scored an average of just 48.3% in a 2008 national survey measuring financial knowledge. Only 27% demonstrated understanding of inflation, risk diversification, and interest rate calculation. College students had similar scores in a 2018 survey.



An interactive supplement to high school personal finance courses are the Reality Fairs conducted by UW-Madison Division of Extension in partnership with local banks, community service organizations, and other groups. In these financial simulations for youth teens receive a hypothetical family scenario complete with a career and monthly income. They then visit a series of stations where they choose how to allocate their income on expenses such as housing, transportation, utilities, clothing, medical care, communications, and entertainment.

Will use a spending plan.....	89%
Ready to handle finances.....	84%
More likely to save money.....	77%

Many reality fair events had to be canceled in the spring of 2020 due to the COVID-19 pandemic.

However, data from 586 students who participated in 2020 and 2019 financial simulations in Barron, Price, and Richland Counties show that after completing the activity 89% said they planned on managing their money with a monthly spending plan/budget (8% said they already do), 84% said they feel ready to handle their future financial responsibilities (19% already felt confident in this area), and 77% said they were more likely to save money (10% already do).

“I will only spend my money on what I absolutely need and not what I think I need.”

“I will start to save my money, instead of spending it on useless things.”

“I need to make a plan based on what I spend monthly and make sure I pay for the essentials first.”

“I realized that there are many hidden expenses that you have to plan for.”

