

American Enterprise Project

"Financial Reality Fair"

iQ

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Financial Reality Fair

Purpose of Project

Most high school students are extremely unprepared for the working world. Today's students, and even many adults, have inadequate knowledge about managing their monthly finances because many have never been *taught* how to manage their money. After high school, graduated seniors are well versed in a variety of subjects such as math, science, and English. However, schools typically do not teach students about managing their income. Despite all the knowledge they gain in these subjects, they do not have practical skills for life after high school and are unprepared to function in the American Enterprise system. This lack of preparation often results in serious financial hardships. According to Forbes, 78 percent of US workers are living paycheck to paycheck. Students in Vancouver, Washington are at risk for having difficulties budgeting for items they need and risk using money wastefully on items they simply cannot afford.

The Future Business Leaders of America (FBLA) chapter at Heritage High School has been addressing this problem for the past three years, partnering with iQ Credit Union to teach all members of each senior class financial literacy and money management. This project gives our classmates the opportunity to experience budgeting for themselves through a simulation of their financial future called the Financial Reality Fair (FRF).

Research into School Needs

Upon seeing lack of financial knowledge (and responsibility) among our peers, we contacted our school administration for information about student demographics. We knew our student body was in need of an FRF but just how effective could this project be? We learned that more than half (54 percent) of Heritage High School students are economically disadvantaged and 50.8 percent of Heritage students are eligible for the free lunch assistance program. This is 11.6 percentage points higher than the Washington state average. Once students graduate, they will face adult responsibilities such as renting places to live, doing their own grocery shopping, and managing their own costs of transportation. If they develop poor financial habits in high school, they are likely to continue these into their adult lives. Considering more than half of our classmates face financial hardships at home, we decided to educate our students to be better prepared for life after high school. Many Heritage families struggle to teach their children financial literacy, especially when money management is not a strength with families in our Orchards neighborhood. To combat the cycle of poverty our students face, we were thrilled to partner with iQ Credit Union and equip graduates with the necessary skills to be successful beyond high school. Learning financial literacy provides the 'reality check' to change students' lifestyles before it is too late.

Planning

Year One

In September of 2016, Mr. Tim Walley contacted the Heritage High School principal, Mr. Derek Garrison, and asked if anyone would help iQ Credit Union teach students about budgeting. Walley proposed a fair to teach students financial literacy. Our FBLA chapter recognized that students are not taught how to manage their personal finances the same way we are taught math, science, and English. Partnering with iQ Credit Union provided an avenue to educate the next generation on financial literacy – an essential life skill.

Financial Reality Fair

What Was the Financial Reality Fair?

A Financial Reality Fair (FRF) is made up of three different phases. The first phase is a pre-test and career selection. In senior social studies classes, students take an online pre-test to assess their prior knowledge of financial literacy. Then they begin filling out the FRF packet by selecting a career they would realistically be interested in pursuing. After completing tax deductions students ultimately come up with their monthly net income. The second phase



is the fair itself. Students go to a total of eight different stations where they make decisions about how to spend their money. For example, the Transportation station has students evaluate whether to take the bus or purchase a car which includes the process of taking out a car loan. Other stations cover topics such as insurance, entertainment, and electronics for students to develop their budget. At the end of the fair, students calculate their budget and discover whether they have any money left at the end of the month. This is where the 'reality check' comes in. For example, most students want to save money, drive a fancy car, live without roommates, and buy coffee every day. But for most entry-level careers this is not realistic. The goal of the FRF is to teach efficient money management and the concluding budget is often a wakeup call for students. The third phase is reflection. Students take the post-test to demonstrate their learning. Additionally, teachers are given the option to have students write a multi-paragraph essay reflecting on the event. In this, students share their favorite parts of the fair, how it impacted their life, and any suggestions to improve the Financial Reality Fair experience.

Year Two

Based on feedback from the first Financial Reality Fair we updated certain aspects of the project that could be improved. These adjustments were made with the intent to give our peers the most realistic experience possible. The changes included the following items:

- The list of career options was expanded to include more labor based careers. In Vancouver, Washington there is a large demand for careers such as: construction worker, landscaper, and custodian/janitor. In 2017, there were 158 careers listed in the FRF packet. In 2018, that number was expanded to 182 careers. For students who will be staying in Vancouver post-graduation, this realistic career opportunity was a crucial addition to make students' experience in the FRF more meaningful.
- Lesson plans provided to the senior English teachers were updated to make the process more coherent. There had been some confusion the first year among the teachers, so we updated the curriculum and training to make the process as clear as possible.
- Tax brackets were revised in the FRF packet to reflect the new tax law Congress passed in 2017. Our design for the revised packet was then distributed to all schools in Southwest Washington who use the iQ FRF curriculum.

Year Three

- This year we updated the format of the FRF. Instead of a three-day project, we expanded to four total days – two days of stations at the fair and pre-test and post-test days. This new format allowed students to have more time exploring the stations and go further in-depth on the topics.

Financial Reality Fair

- Additionally, the budget layout was separated in the packet to reflect the two days at the fair – “Needs” and “Wants.” This shows students their priorities when creating a budget. “Needs” included Housing, Transportation, Food, and Insurance. “Wants” included Electronics, Clothing, Personal Care, and Entertainment.
- We also created a lesson plan for teachers to use when introducing the FRF. In the past we had teachers describe to the students how to fill out the packet. However this year, FBLA members created a lesson plan with content on budgeting, setting financial goals, and understanding credit.
- The classes who attended the FRF also changed. Instead of senior English classes attending the fair, we worked with students in their social studies classes. We switched to senior social studies classes for two reasons. First, there are less teachers to work with – only five compared to thirteen the year before. Second, Heritage has a wide variety of classes which count toward senior English credit but also welcome students from other grades. Our social studies classes are exclusive by grade level and were overall a better fit for hosting an FRF. This change ensured that all members of the senior class were included in the Financial Reality Fair.
- Finally, we decided to host the Financial Reality Fair during National FBLA Week in order to increase exposure to FBLA.

Project Goals for 2019

The Financial Reality Fair was designed to enrich the knowledge of both FBLA members and the entire senior class (made up of about 450 students). The chapter wanted the FRF to achieve these goals:

Chapter Goals:

- Provide FBLA members the opportunity to initiate and host an event from start to finish
- Enable students to create a real life budget
- Help students realize the importance of creating a realistic budget
- Develop an educational/business relationship with iQ Credit Union
- Educate 450 HHS seniors about money management and budgeting

Official Future Business Leaders of America Goals:

- Assist students in the establishment of occupational goals
- Encourage and practice efficient money management
- Facilitate the transition from school to work

Development

At the Program of Work meeting to plan the chapter’s service project for the year, officers discussed the goals of the chapter. These goals included impact on our local community and education. We knew the seniors of HHS would need help in preparing for what is to come after high school. After some research, we saw iQ Credit Union’s Financial Reality Fair as a way to partner with a major business in our community, while at the same time teaching students at our school about creating a personal budget. The FRF would achieve both our chapter goals and those of the national organization. We knew that by having this event,



FBLA chapter officers planning goals for the year

Financial Reality Fair

the seniors would learn what to expect after high school and teach them the personal management skills of budgeting.

Committee Members (FBLA Leadership Team) and Roles

- Elvia Santos Dominguez – Lesson plan, teacher training and packet revisions
- Keziah Nguyen – FRF informational teaching PowerPoint and new member FRF training
- Victoria Thornton – Pre- and post-test creation and analysis
- Jazmine Thornton – “Wheel of Reality” revisions to be more realistic and lesson plan development

Keziah Nguyen and Elvia Santos were in charge of communication between iQ Credit Union with the help of our adviser. Their correspondence set up the date of the Financial Reality Fair and the needed volunteers. As leader of the team they, also delegated duties and responsibilities to committee members.

The FBLA Leadership Team (committee members) worked together to develop and implement the goals as stated above. Though each committee had distinct focuses – peer education and partnership activities – both committees contributed significantly to the effectiveness of the Financial Reality Fair. This helped the development of the event flow smoothly.

During these meeting the members decided to start working on the improvements that were decided the year before. Some of the revisions included, breaking up the event to four day, which we believed would give students more time to run through the event and not worry about having to finish the packet but to take this opportunity to learn more. The first day dedicated to having a mini-lesson about the basics of personal finance, which would be taught by their Social studies teachers in their classrooms. We wanted to leave an impact on the students that they really needed think about their wants verses their needs. Which is why the following two day would be dedicated to the actual event in the career center, with day 2 being the “needs” and day 3 would the “wants.” The fourth day was going to be a reflection day that involved a post-test. Table 1 on the following page is a detailed schedule that the team members set up for the event.

Financial Reality Fair

Table 1: Financial Reality Fair Schedule

Day 1 (Feb 5)	Day 1 (Feb 6) - NEEDS	Day 3 (Feb 7) - WANTS	Day 4 (Feb 8)
Lesson plan <ul style="list-style-type: none"> - Budgeting - Financial goals - Get though FRF packet (10 min) Pre-test	Housing <ul style="list-style-type: none"> - Local housing options - Renters insurance Vehicle/Transportation <ul style="list-style-type: none"> - What options - Buying/leasing Food Insurance <ul style="list-style-type: none"> - Health - Vehicle - House <p style="text-align: center;">Q&A</p>	Electronics <ul style="list-style-type: none"> - Phone - Internet Clothing Personal care <ul style="list-style-type: none"> - Hygiene - Cleaning supplies Entertainment <ul style="list-style-type: none"> - Vacations - Subscriptions - Video games - Movies Wheel of Reality <p style="text-align: center;">Q&A</p>	Post- test Optional 3-paragraph reflection essay

The Financial Reality Fair was scheduled to happen during the seniors' Social studies classes. This was to ensure that all members of the senior class got the opportunity to go through the event.

Victoria Thornton was in charge of creating the pre- and post-tests. The tests were used to evaluate the knowledge of personal finance of the seniors before and after the FRF. The results of these tests can be seen in the Evaluation of Data section. The tests was created through Google Forms and then linked to the students' individual computer accounts through Google Classroom (school district informational website). In addition to the seven questions, we had a comment section where seniors could leave feedback about the event and tell us how it impacted them.

We also had Jazmine Thornton revise the "Wheel of Reality," which was recommended by one of the teachers who went through the event with their students the previous year. Originally the "Wheel of Reality" was designed to add financial surprises would occur in daily life, but all those surprises where a little too generous. For example, winning \$500 from a radio contest, which in reality is probably not going to happen. So more realistic events where created, like dropping your phone and needed to go get it repaired.

Training

Members of the FBLA Leadership Team, who oversaw the event for the previous year had a quick training session for the new members. This helped the newer members understand the purpose of the project was and how they would be involved. Chapter members practiced going through the different FRF stations. Members learned how to run our FRF in a professional and efficient matter, while still making it an effective educational experience for HHS seniors. Chapter President, Keziah Nguyen, led the workshop, with the assistance of the officer team. He showed us the "Wheel of Reality" and explained how to use the materials provided by the credit union. By doing this, we would be able to effectively assist the volunteers (iQ Credit Union employees), while manning each of the four stations. After the FRF, one of the iQ Credit Union volunteers said, "FBLA students were great at answering questions and

Financial Reality Fair

helping guide the other student[s] through the process." This proves that the education we provided to our school at the FRF was successful.



Social studies teachers during the teacher training after school

In addition to training the chapter members, it was decided that the social studies teachers would be trained, as they would be introducing the event to the senior classes. Chapter treasurer, Elvia Santos, took charge of the teacher training, provided background information about all stations that would be in the event to have a better understanding of how it would look like. Thanks to the help of a local financial literacy teacher, who gave us a PowerPoint she made that described the stations. We were able to give the social studies teachers visuals of the event, which was also available for seniors that were absent. Additionally, other resources about personal finance were provided so that the teachers would be able to answer questions that the seniors might have.

Implementation

On February 7, 2019 chapter members arrived 45 minutes before school to set up for the Financial Reality Fair. Members set up tables and signs. The day before (February) social studies teachers used a PowerPoint presentation to use as a tool to show their students how to fill out a packet that allowed students to pick a career they would realistically be interested in pursuing and helped them keep track of their spending throughout the fair. Chapter members manned each booth along with a volunteer from iQ Credit Union. The fair was held for six class periods, during which members volunteered their time.

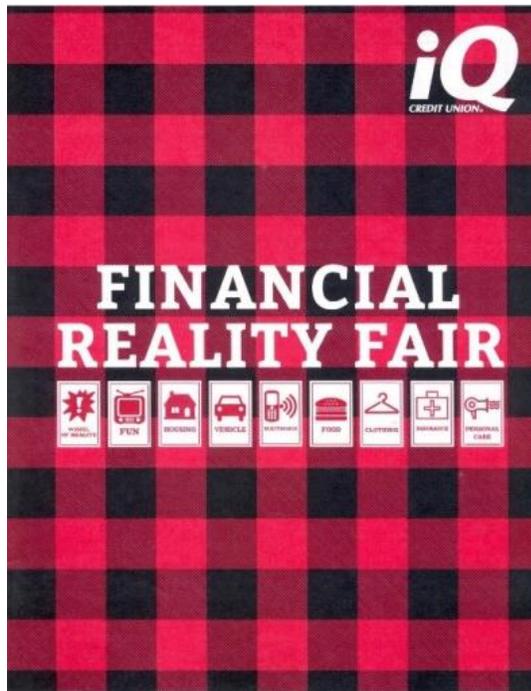
iQ Credit Union provided nine volunteers for the event. It included some of their employees and local retired business people. These volunteers taught the seniors in our high school about budgeting. This was done through interactive stations such as food, housing, entertainment, insurance, clothing, and purchasing a car. The stations simulate real life factors in developing a budget. The purpose of the FRF was to teach and prepare students in the senior class for what to expect after high school.



iQ Credit Union volunteers and FBLA members

Financial Reality Fair

Example of Student Packet



The cover of the Financial Reality Fair packet where students organized their budget.

One senior, named Chad, chose the occupation of photographer, which pays an average annual gross salary of \$30,000. He then calculated his monthly net pay at \$2,500 (see Figure 1 on next page). Using the packet shown to the left, he calculated his housing, transportation, food and insurance for a total of \$1,900 in monthly expenses for his necessities (see Figure 2 on next page). By the end of day 2, we asked the seniors how much they had left over for the third day, in which they will be budgeting for their wants. In Chad's case, he only had \$600 left over. Our goal of the Financial Reality Fair was to have seniors create a budget that would help them meet their savings goals. The student above was hoping to have \$200 in savings per month. Some students were able to reach their savings goals. However, most students received a reality check on the actual costs of living and what they can afford in the real world. Overall, the students learned that they either needed to cut down on their expenses or needed to consider a different career so they could afford what they want.

Figure 1 (below): Sample portion of a completed monthly budget from a student packet

Occupation: <u>Photographer</u> Gross Annual Salary: <u>\$30,000</u>	
Tax Brackets (based on Annual Salary) \$0-\$25,000 = 12% \$25,000-\$32,500 = 22% \$32,500-\$45,000 = 24% \$45,000-\$70,000 = 32% \$70,000-\$100,000 = 35%	Find your salary range and take out taxes: Multiply your gross annual salary by the % and enter the amount on the line
Net Pay: <u>\$20,000</u> Gross Pay - <u>\$2,600</u> Taxes *This is your yearly take-home pay after taxes <u>\$26,400</u>	
Monthly Income <u>2500</u> *This is your net pay divided by 12	
Student Loan <u>0</u>	
Credit Tier <u>1</u>	
What is your monthly savings goal? \$ <u>200</u> / Month	STOP

Figure 2: Sample portion of a packet

NEEDS	Housing	Roommate? <u>Yes</u>	
	Appt. or house? <u>Appt.</u>	Rent	\$ <u>650.00</u>
	Utilities	\$ <u>54.00</u>	
	Saving for a house?	\$ <u>215.00</u>	
	Housing Total	\$ <u>919.00</u>	
	Transportation	Auto Loan Payment	\$ <u>145.10</u>
	Other Transportation	\$ <u>0.00</u>	
	Gas	\$ <u>99.00</u>	
	Transportation Total	\$ <u>244.10</u>	
	Insurance	Health	\$ <u>202.24</u>
Auto	\$ <u>35.80</u>		
Insurance Total	\$ <u>238.04</u>		
Food	Groceries	\$ <u>301.00</u>	
Eating Out	\$ <u>70.00</u>		
Coffee/tea/snacks etc.	\$ <u>44.00</u>		
Food Total	\$ <u>415.00</u>		
		\$1,907.14	
WANTS	Clothing	Clothing Total	\$ _____
	Electronics	TV	\$ _____
	Internet	\$ _____	
	Cell Phone	\$ _____	
	Electronics Total	\$ _____	
	Personal Care	_____	\$ _____
	_____	\$ _____	
	_____	\$ _____	
	Personal Care Total	\$ _____	
	Entertainment	_____	\$ _____
_____	\$ _____		
_____	\$ _____		
Entertainment Total	\$ _____		
Student Loan		Total Monthly Expenses: \$ _____	

Add em up!

ADD all of the answers from the red boxes together to calculate your monthly expenses

ADD the student loan amount (if applicable)

\$1,907.14

Spin the wheel and enter the dollar value above

If you got something that spends more of your money ADD it to your total expenses. If you received extra money, SUBTRACT it from your total expenses.

Enter this final amount on the Total Monthly Expenses line below

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Evidence of Publicity

The FRF project has provided media publicity for Heritage's FBLA chapter. The Evergreen School District's Career and Technical Education (CTE) Department came to the event to take photographs to record the event. This news story was publicized through Evergreen CTE's social media, which includes their Twitter and Facebook pages. See a photo of the posting to the right.



Our local newspaper, *The Columbian*, wrote an article (see above) about a middle school in Washougal who used the materials we developed for their own event. Our partnership with iQ Credit Union allowed materials and programming developed by Heritage FBLA to be used in iQ's other school-business partnerships across Southwest Washington. The article to the left demonstrates the impact between Heritage FBLA and iQ Credit Union's partnership on all levels of education in our community.

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At the Evergreen School District CTE Student Showcase, Heritage FBLA shared our partnership benefits with 42 business professionals. Please see a photo of our members (Victoria, Elvia, and Matthew) who participated at this event to the right.

iQ Credit Union also submitted a statement reflecting on the partnership between their business and Heritage FBLA. Please see an excerpt from the press release below and a screenshot of the press release below. “Over the last few years iQ Credit Union and Heritage High School have cultivated an impactful



and lasting relationship. iQ was started by teachers back in 1940, whose founders wanted to find help and create opportunity financially for their peers. That same mentality is evident at Heritage High School. Working alongside the FBLA students to bring financial education to the student body has been a privilege. The FBLA students perfectly embody the principals and values of their organization and iQ is proud to have leant a helping hand in the planning and facilitating of their Financial Reality Fair. The FBLA program and its students deserve all the accolades it receives and more and iQ is ecstatic to have such a great connection with Heritage.”



iQcu.com
PO Box 1739 Vancouver, WA

Press Release

New iQ Branch to Open in Heritage High School

Vancouver, WA – April 20, 2019 iQ Credit Union is pleased to announce the decision to open a new student-operated branch within Heritage High School located in the Orchards neighborhood of Vancouver. This will be the fourth campus branch in Evergreen Public Schools.

Over the last few years iQ Credit Union and Heritage High School have cultivated an impactful and lasting relationship. iQ was started by teachers back in 1940, whose founders wanted to find help and create opportunity financially for their peers. That same mentality is evident at Heritage High School. Working alongside the FBLA students to bring financial education to the student body has been a privilege. The FBLA students perfectly embody the principals and values of their organization and iQ is proud to have leant a helping hand in the planning and facilitating of their Financial Reality Fair. The FBLA program and its students deserve all the accolades it receives and more and iQ is ecstatic to have such a great connection with Heritage.

iQ wants to help people make better financial decisions. We're based in SW Washington and open to everyone. We've built our reputation for excellence, integrity, mutual interests, and solid relationships by committing to principles and people, not only profit. We're here for the long haul.

For more information about iQ Credit Union and this partnership with the Evergreen School District, please contact Tim Walley, Education Programs Supervisor at 360.759.3007 or Tim.Walley@iQcu.com.

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Financial Reality Fair

Impact



Students going through the FRF stations, completing their budget.

During each class period (six throughout the school day) between 35 and 80 students attended the FRF. Students were encouraged to ask questions while at each station. This increased their learning not only in the short term for completing the FRF packet, but additionally in the future when they are preparing their own real-life budgets. The Financial Reality Fair taught seniors how to function within the American Enterprise System, not just for the next four months until graduation, but for the rest of their lives. Seniors went to each station, in no particular order, so that students could visit whichever station had availability. Throughout the event students talked about needing to fix their budgets and sacrifice certain items, such as clothes and a better car, in exchange for other things like housing rent. A student told us that, “It was good to keep track on how much you were spending, because you needed to consider the important things that you would need instead of the things that you wanted.” This put

money in perspective for them, providing a sense of reality that the world would soon offer. On the post-test we them take, we had a section where students could leave feedback, one of the students wrote that they “appreciated how long we gave [them] to take into

consideration on how much [they] are planning to save verses how much [they] have to spend.” Many mentioned how they “didn’t realize how much money you can spend each month on just regular things so I think it definitely gave me a reality check.” This event brought awareness of the importance of budgeting to the students who participated.

The effectiveness of the event was measured using two surveys. Each senior was asked to take a pre- and post-test, which were developed by the Committee members (see Figure 3 on the next page). All students saw improvement in their knowledge about budgeting and saving. Which could be seen throughout the tests. The results can be seen on page 10

Impact for Chapter Members

In addition to the educational learning opportunities the fair presented, it also gave members the opportunity to network with community members. Several of the employees from iQ Credit Union chatted with FBLA members volunteering together at the stations. Adult volunteers discussed their everyday jobs in the field of banking and finance. For example, one volunteer who manned the insurance booth works with car loans at his regular job at iQ Credit Union. Our volunteers had a well-rounded education and lots of knowledge in the categories of the FRF. This provided an excellent opportunity for chapter members to network with local business people.

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Project Evaluation

Most of our chapter was involved in this project. In fact, 12 of our 26 members went through the training. These members were excused from their classes during one or more periods of the school day in order to assist with the FRF. About 450 high school seniors participated in the Financial Reality Fair. Four professional educators participated along with their students. Thirteen volunteers helped in the execution of the FRF.

Mr. Walley and chapter members debriefed immediately after the FRF. A list of what went well at the event and areas to improve was created to give feedback for subsequent years' leadership teams.

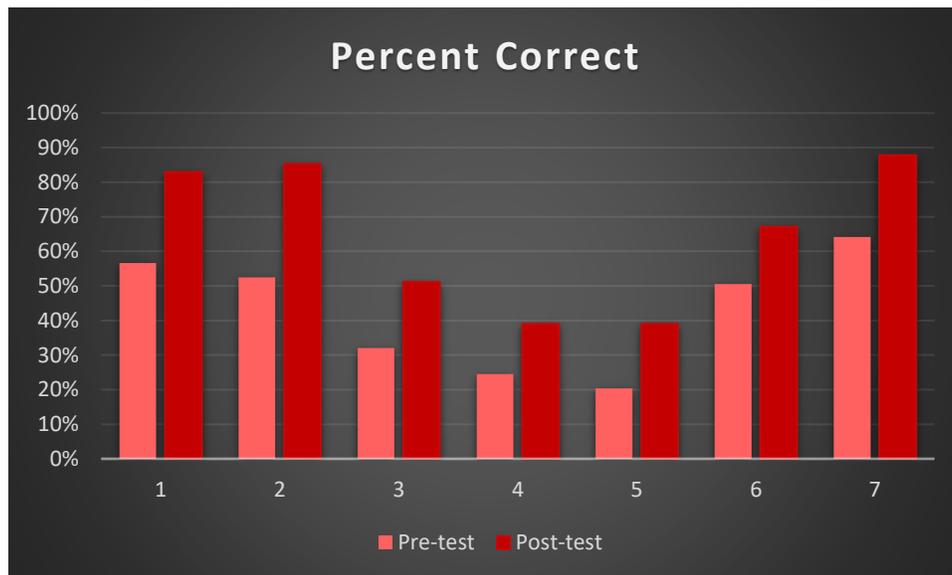


Students going through the FRF stations, completing their budget.

We met FBLA goals by teaching seniors the importance of creating a realistic monthly budget.

Evaluation of Data

Below are the questions given in the pre- and post- tests as well as the results of students who answered correctly or incorrectly on the sample questions. The dark red signifies correct answers and the lighter red signifies incorrect answers.



In addition to the learning of the students summarized in the charts above, the adult volunteers provided feedback as well. One employee from the credit union said, "I felt the event was very well organized and ran quite smoothly. Considering the size of some of the groups that came through, it was impressive how the teacher and his students kept them moving through the stations. I never really felt overwhelmed by numbers at any time. His FBLA students were great at answering questions and helping guide the other students through the process." Another credit union volunteer said, "I thought it was great. As a volunteer I would like to see how many stayed within budget and what those conversations

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looked like AFTER they had filled out their sheets.” This shows the passion for the FRF from volunteers. Our American Enterprise Project met all of our goals and was deemed a success from all involved.

Improvements for the Future

The Financial Reality Fair has been through two years of development. However, we envision the project continuing to grow and impact more students with greater efficiency and effectiveness. Instead of the Financial Reality Fair just being a simulation of what a student’s financial life could be, we want to transform this event into a place where students will take advantage of the countless financial preparation resources available at the fair. Our ultimate goal is to create a culture where students are able to comfortably discuss their personal financial future and seize all opportunities presented at the Financial Reality Fair. Our changes to get to this point are called the three Ps. Protocol, packet, and project. We know the FRF will be able to help them prepare to be able to function within the American Enterprise System.

Table 2: 2020 Financial Reality Fair Revisions

Protocol	Packet	Project
<p>Meet in-person with Tim Walley There was miscommunication this year which will be avoided in the future by a meeting with Mr. Walley.</p> <p>Timing Reserve the Career Center three months in advance so our date is confirmed and has priority.</p>	<p>Profession salary check Some careers did not have accurate salaries or years of education required (ie: Midwife requires schooling).</p> <p>Average pay vs starting pay Our numbers for salary need to be confirmed for an average 25 year-old in the profession to truly provide an accurate experience.</p>	<p>Add local and popular options Gym options at the Personal Care station need to include local popular gym options such as the YMCA.</p> <p>Entertainment options need to be updated to include streaming services such as Netflix, Hulu, and Amazon Prime which are more popular than cable television.</p> <p>Timing Students will spend the first 25 minutes of class rotating through the FRF stations. The last 20 minutes will be spent in a Q&A with iQ Credit Union volunteers.</p>