



FINANCIALLY LITERATE YOUTH GRANT PROGRAM

Brockton High School Case Study



Grant Recipient

BROCKTON HIGH SCHOOL

The Financially Literate Youth (FLY) grant program was established to provide financial assistance for new and existing financial literacy programs in K-12 schools in the United States. Brockton High School, located in Brockton, Massachusetts, was one of four recipients chosen to receive a \$5,000 grant to continue their existing financial literacy program, the Credit for Life Fair (CFL).

CREDIT FOR LIFE FAIR

Program Overview

The CFL is an annual program that provides sophomore, junior, and senior students with the foundation for understanding how to manage their finances, budgets, and develop ethical strategies to help them become financially successful adults.

The Simulation

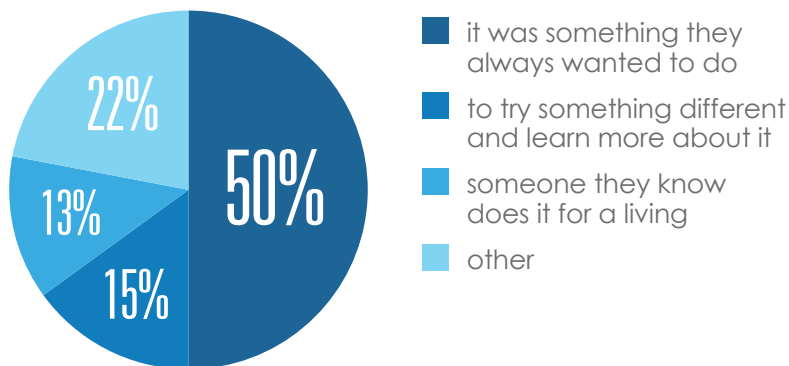
The fair consists of a three-hour simulation in which students role-play their financial lives at age 25, choosing a career and managing their projected finances. Students receive a packet that contains their net income, student loan payments, credit score, and worksheets. Credit scores are based on the average of their business class grades such as Personal Finance, Accounting, or Consumer Education. The students determine how much of their monthly income to devote to housing, transportation, insurance, clothing, luxury items, phone services, food, credit card payments, charitable contributions, and more. Local partners, including banks, credit unions, credit counseling agencies, auto dealers, retailers, and other business and community agencies participate in the simulation as vendors that the students are required to visit to decide what lifestyle choices their budget allows them.

Program Evaluation

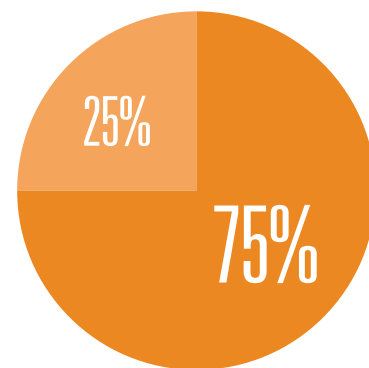
Students are provided with worksheets that show what the student's income is and how they chose to allocate their income for all purchases and expenses. This allows the teachers to evaluate how the students handled their money and observe whether or not they sought advice from the credit counselors on hand. In addition, each student was asked to fill out a survey after they completed CFL so the program director could determine the program's success and if any improvements or changes need to be made for the following year's fair.

RESULTS

The top three responses for which job students chose were:



The majority of students (75%) stated that the profile they received was what they had expected. The remaining students (25%) were either surprised to find out that they had less money to start with than they expected or that their profile was actually better than they thought it was going to be.



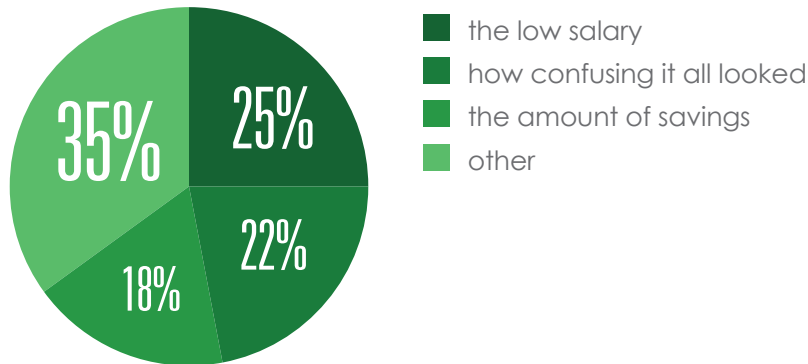
Credit Fair Scenarios*

GROSS YEARLY SALARY	34,500	63,550	46,150	25,000
GROSS MONTHLY SALARY	2,875	5,296	3,846	2,084
FEDERAL TAX-28%	805	1,483	1,077	584
STATE TAX-5.3%	153	281	204	111
SOCIAL SECURITY & MEDICARE-7.65%	220	406	295	160
TOTAL DEDUCTIONS	1,178	2,170	1,576	855
NET MONTHLY SALARY	1,697	3,126	2,270	1,229
SAVINGS	2,350	3,525	3,150	3,528
FICO COMMENT	SOME LATE PAYMENTS	n/a	SOME LATE PAYMENTS	n/a
STUDENT LOAN DEBT	5,000	45,000	12,500	5,000
YEARS TO PAY OFF	7	15	10	7
STUDENT LOAN PAYMENT	125	230	175	125
CREDIT CARD PRIOR PURCHASES	800	1,200	1,100	1,200

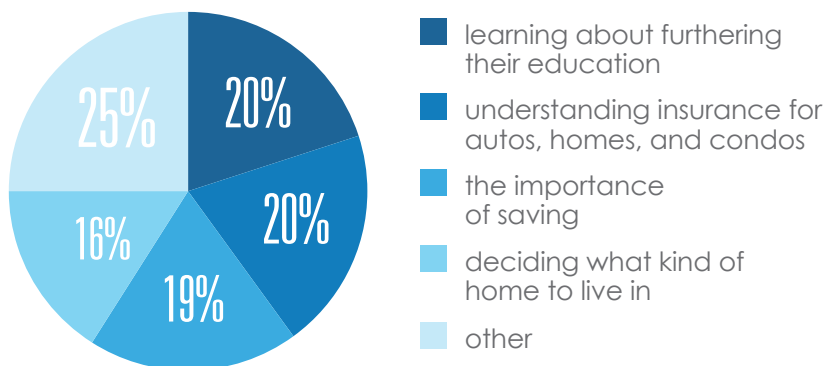
*examples shown depict the range of financial scenarios available

RESULTS

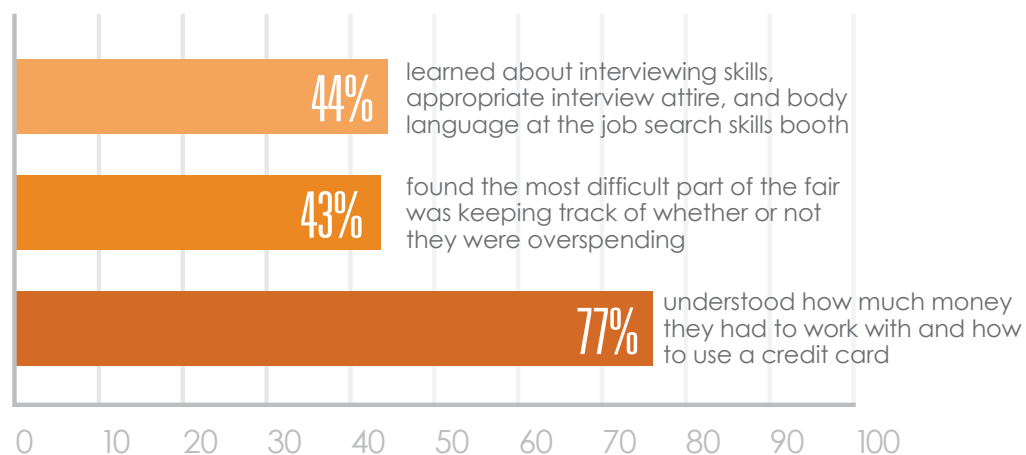
The top three responses for what surprised the students the most when they received their portfolio and profile were:



The top four responses for which subject or product was the most important to the students were:

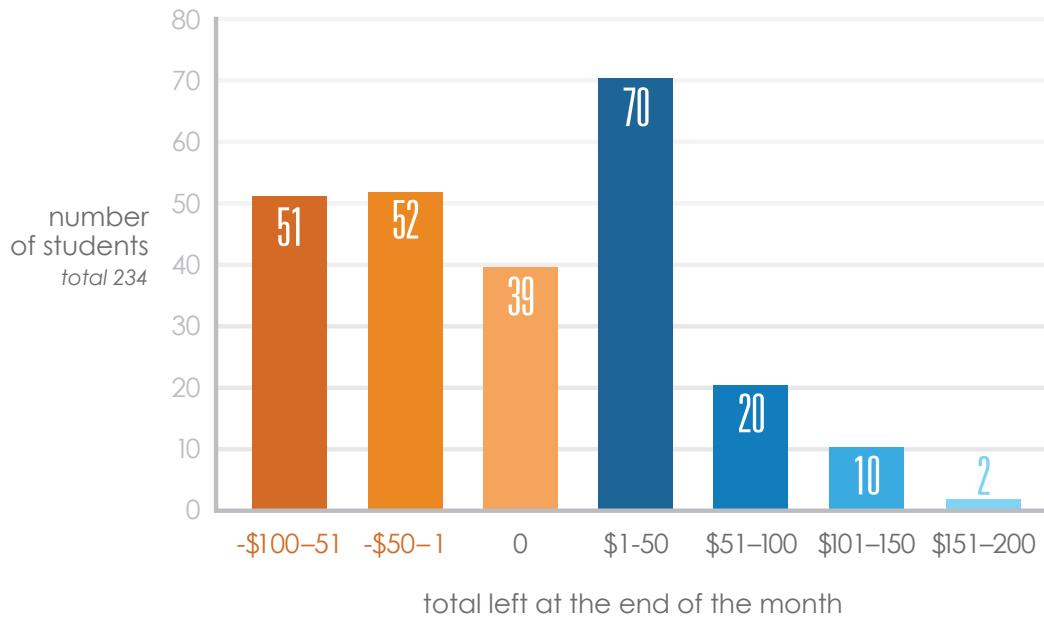


Students stated the following as a result of participating in the Credit for Life Fair:



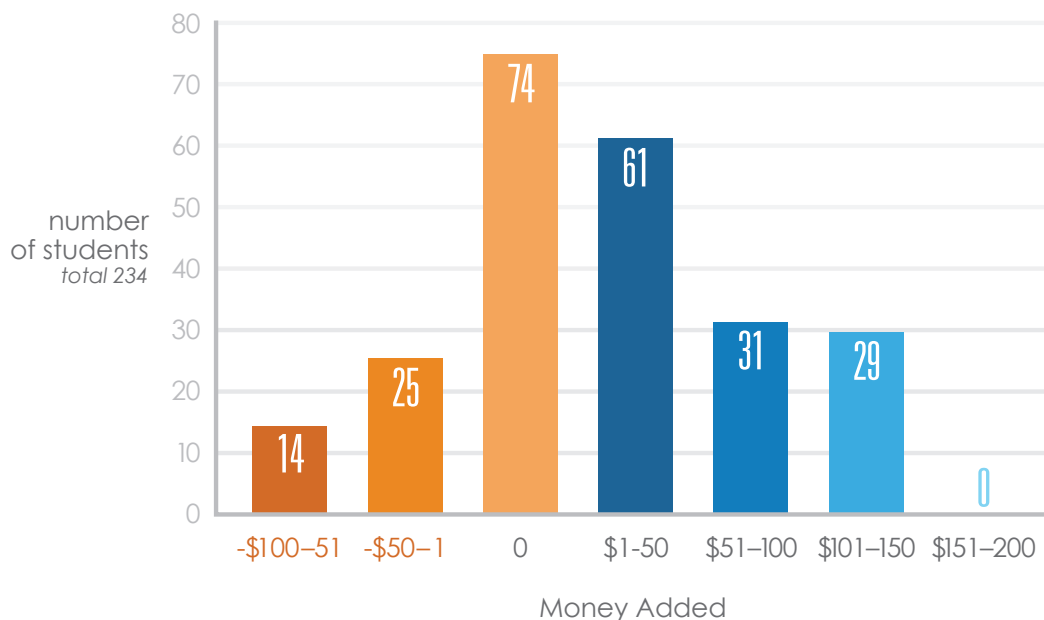
Student Spending Register Balances

Students are required to keep track of all expenditures and deposits. If they have money left at the end of the month, and have paid all expenditures, they are considered successful. The below graph shows the total amount of money that the students had left over at the end of the month (i.e. end of the exercise).



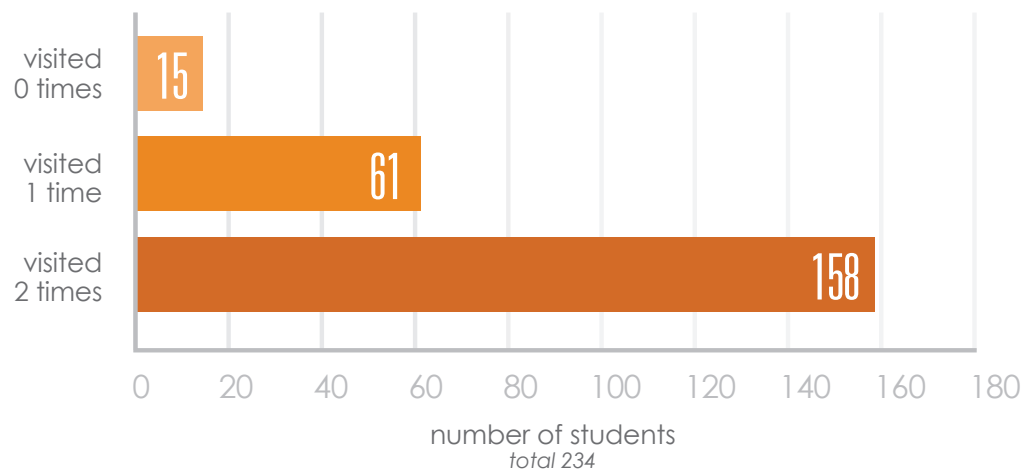
Savings Account Records

All students started out with a positive balance in their savings account, but not all savings accounts had the same starting balance. The below graph shows the remaining balances left in savings after the fair was completed.



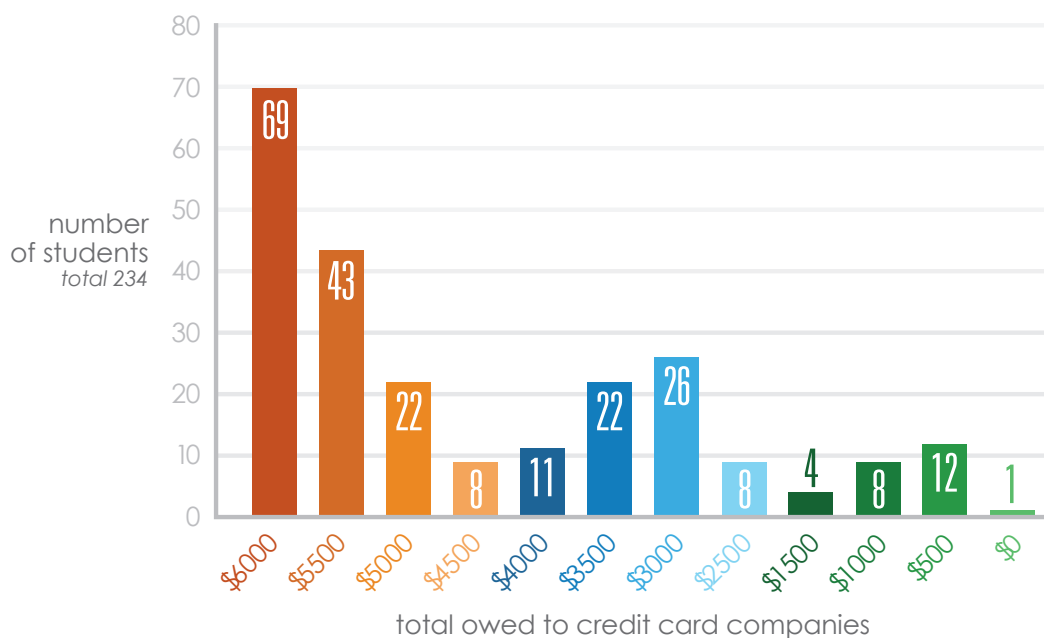
Credit Counselor Visits

Students are encouraged to visit the Credit Counselors whenever they want. Credit Counselors help them get back on track if they overspend. As part of the simulation, students will often purchase a sports car that is out of their income range and have to sell it and buy a more practical car. The below graph shows how often students chose to visit a credit counselor during the exercise.



Credit Card Debt

Student credit scores are based on their grades. The higher their grades the higher their starting credit score. All students start off with credit card debt and are expected to make payments. The below graph shows how much money each student owed to credit card companies after they completed the fair.



RESULTS

According to student survey, the top four most important booths included

- Housing
- Savings for Future
- Education/Training
- Insurance

Students had interest in learning more about the following: how to save money, savings and retirement, easy ways to make money, financing and budgeting, managing money, the purpose of a credit card and how to use it, and the importance of credit counselors.

“Many of the students are managing money and for the first time realize the importance of education. They begin to recognize that they might make more money if they have a better education. Some have jobs now but spend every dime they make. In visiting all the booths they realize the importance of a budget and a savings account. This simulation gives the students a chance to see how much money they are making, how much is taken out in taxes and how much they actually have to work with.”

Ellen Culley

*Director of Business, Technology and Career Education
Brockton High School*

IMPACT

The CFL is instrumental in teaching Brockton High School students the importance of financial education, providing them with a crucial look at what life will be like in the real world when it comes to managing their finances in the future. This is accomplished by providing the Brockton High School students with an opportunity to learn from their mistakes in a simulated environment so that they are better prepared to manage their finances and exercise financial responsibility.

The FLY grant provided Brockton High School with the crucial funds necessary to cover the expenses associated with executing a successful and highly educational fair.

“Our students have said how thankful they are that we do this with them. They said that they had no idea they would have to manage all of this and that their parents make it look easy. The greatest strength of our project is that our students get a reality check. Many are managing money and for the first time realize the importance of education.”

Ellen Culley

*Director of Business, Technology and Career Education
Brockton High School*



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