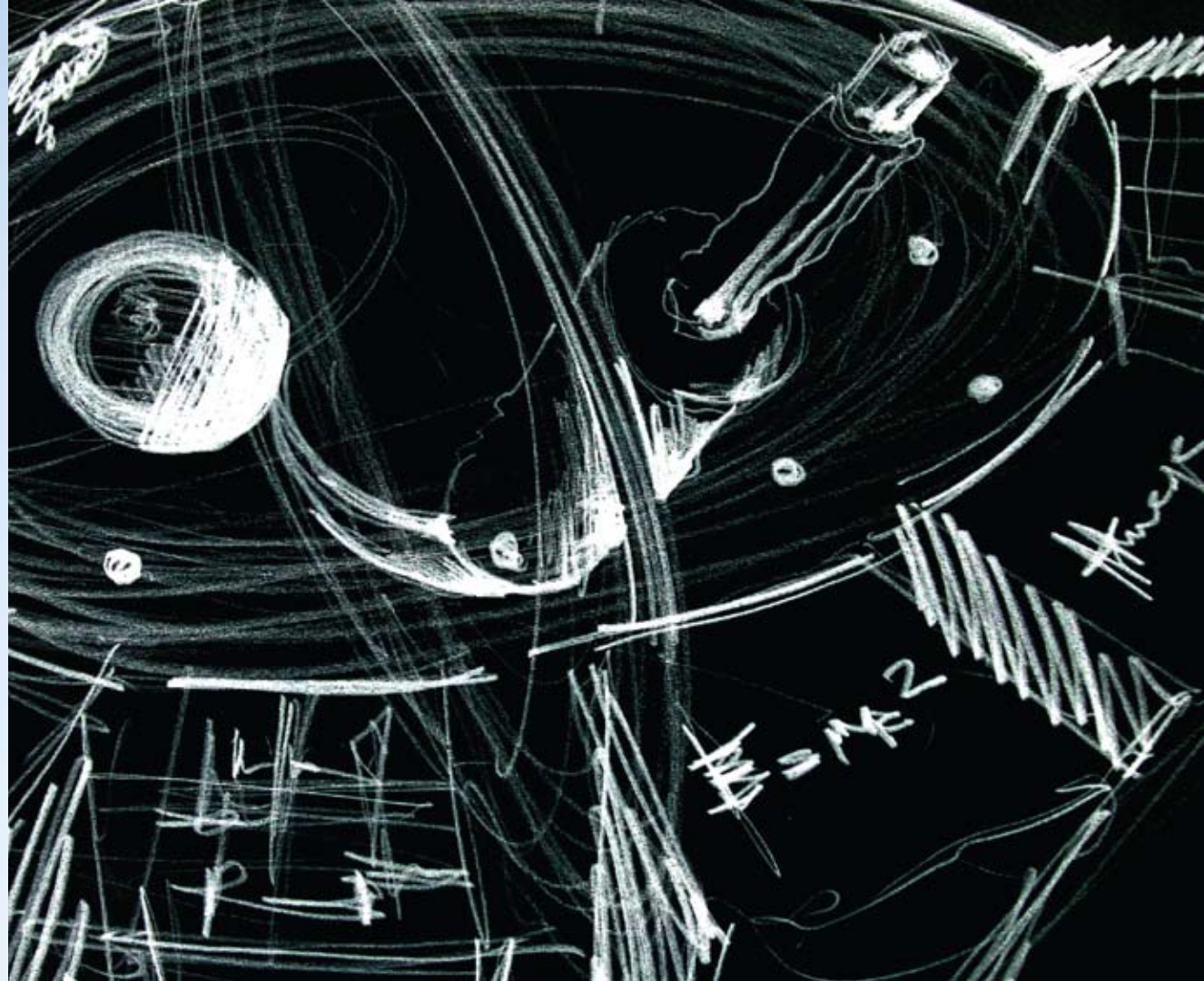




By Linda Leikness

The lessons the Reality Stores teach remind me of this quote from Albert Einstein: **“Reality is merely an illusion, albeit a very persistent one.”**

**Reality Stores**  
teach students the ABCs of  
fiscal responsibility



They also remind me of a more contemporary quote from students in their own language: “Reality bites!” This was a sentiment I’m certain was shared by a couple of students who found out just how difficult it can be to deal with being responsible for housing, transporting, clothing, feeding and insuring oneself and maybe a spouse, children or a pet.

After speaking to students at career day and to accounting classes at McFarland High School, Barb Schuetz, one of the school’s business education teachers, approached me about participating in their Reality Store (which they call Reality Zone) in 2006. I said, “Sure, but what is it?”

“Our vision for (our) Reality Store is that students have the opportunity to learn about the financial responsibilities they will encounter as adults,” Schuetz said.

It is believed that McFarland High School is one of the first high schools in south central Wisconsin to offer the financial literacy simulation using materials published by the University of Wisconsin Center on Education and Work. A workshop sponsored by WICPA Educational Foundation and Wisconsin Department of Public Instruction helped to train organizers Schuetz and Cindy

Brady to bring the program to McFarland. A DVD prepared by Annette O’Hern in the LaCrosse School District showed how this exercise might be executed. To me, it sounded like fun.

Prior to the day of the event, students researched and selected his or her career, knowing clearly what their annual salary would be. Career choices ranged from artists to surgeons. This information was used to determine the amounts of their paychecks. The students were also given an opportunity (through the use of a Twister board and dice) to determine their family profile—married or single with three children or less.

The event required numerous community volunteers such as realtors, travel agents, investment advisors, police, nurses, auto dealers, insurance agents and area members of the Wisconsin Institute of CPAs. These vol-

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unteers staffed the various Reality Stations and helped students with their financial choices. Students needed to purchase housing, transportation, food, child care, utilities, insurance, investments, donations, and travel. They could only leave the Reality Zone when their checkbook balances were between \$0 and \$200.

As students entered the Reality Zone at McFarland High School, their first stop was the Tax Station where state, federal, and Social Security taxes were deducted from their paychecks. That’s an eye-opener to begin with! Each student deposited the remaining income at the Bank Station, received a checkbook and a register and continued to make purchases for items and services needed by a typical 27-year-old McFarland resident.

The students had many choices, from the brand of clothing to the type of cell phone or cable service they could afford. They learned about homeowner’s and renter’s insurance. In addition to planned purchases, students also experienced random financial consequences when they received traffic tickets and medical bills. In addition, some students chose to purchase pets only to find out they couldn’t afford to feed them. They had to give their pets to the veterinarian or sell them to a wealthier classmate. The students also had to choose payment options for the balances on their credit cards.

The first year I volunteered at the SOS Station, a help desk where students could receive assistance when they were unsure how to handle transactions, ran out of money to pay bills or needed their checkbooks balanced correctly. I had the opportunity to give the reality choices to the students such as exchanging a four-wheel drive truck for an economy car, to which one student replied, “but I love my truck!” I replied, “more than you love eating?” because they still needed to purchase groceries.

There was also a Fate Station where each student was required to stop by twice during the exercise to pick a card. Each fate card contained a random life event including a major plumbing repair or

winning the lottery. It could also indicate that if a relative died, the student could receive an inheritance or a funeral bill. Or, they could break a leg and have to pay their health care deductible.

You might think that this would be no big deal for smart students. Think again! Ray Petkovsek, CPA and a WICPA member, also volunteered at the SOS booth with me in 2007. We encountered an honor student (that’s how she identified herself) who was one of the last to leave the event because she had too much money left over! Having selected a career as a surgeon, she ended up with a surplus after purchasing all her luxury items. We assured her that this is not often the case and advised her to invest her excess funds and/or make a charitable donation. Most students had negative balances and needed to downgrade their necessities or give up luxuries. These are difficult choices for adults and are even more difficult for students who are faced with so many choices in one day.

I asked Ray about what he thought of the Reality Zone experience and he said, “the stark reality of how much it costs to live on their own hits most kids over the head like a sledge hammer. They embraced the experience. I’m confident many students will carefully reconsider their future education and career choice.”

So does the experience change the mind of a high school student who thinks they want to have six kids someday? After visiting the child-

care station, one student said, “paying that bill is the best form of birth control. Kids are way too expensive!” Does it make him or her appreciate what their parents might be sacrificing in order to buy their designer clothes or to send them to college? According to one student, it was a moment of enlightenment to “realize that there were things I had to buy that I didn’t want to.” Another student summed up the goal of the Reality Zone by saying, “life is expensive.”

During the 2007–2008 school year, 39 WICPA members volunteered at these events throughout the state. Volunteers are needed at 14 events during the 2008–2009 school year. I’ll be volunteering at James Madison Memorial High School’s Reality Event in the fall and McFarland’s Reality Zone event in spring 2009.

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