

Baltimore middle-schoolers learn stock market basics

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Khyree Desaque, a seventh-grader at Hampden Elementary/Middle School, is learning a skill many adults find foreign — how to trade on the stock market.

"He's all in on Sony," said the 12-year-old's father and the school's principal, Khaleel Desaque. "He's a PlayStation fanatic, so I'm not surprised."

Desaque is among the students at the school participating in the Stocks in the Future program, which offers students real money as reward for good attendance and grades and teaches them how to invest. Students can buy stock in companies they're familiar with, like video game giant Electronic Arts, Coca-Cola, and Facebook. When they turn 18, ownership of the stocks transfers into their names.

The Stocks in the Future organization, a nonprofit that counts Goldman Sachs, the Abell Foundation and Deutsche Bank among its donors, is one of a number of groups trying to teach children financial skills that few learn in school — if ever. The organization trains teachers and funds the program in 15 Baltimore middle schools, one school in Baltimore County and one school in Washington.

One recent morning, the eighth-graders in Jesse Chacona's class at Hampden Elementary/Middle were getting a primer on concepts many adults never learn, like how to evaluate a publicly traded company's balance sheet, what's cash flow, or why a CEO issues an annual letter to shareholders.

During a break, the students, some of whom said they read up on financial news or follow stock trends at home, took turns telling the rest of the class what they were getting out of the experience.

"I like going home and teaching my parents. Like, they know stuff, but they don't know as much as I do," said Samantha Morris, 13. "And it's kind of cool that young children know more than half of adults."

Raven Wheat, 13, said she explains the financial industry to her grandmother, sometimes when they watch television together and news comes on about the Dow Jones industrial average.

"She gets really confused because I'll talk about it and I'll say, 'Oh, that's gone down' or 'That's gone up,' or I'll say 'industry average' or something," she said.

In the Stocks in the Future class, the students can earn up to \$80 a year for good attendance — a goal of the program is to reduce truancy — and grades on tests and other activities. They can take the program for each of their three years in middle school. In the meantime, their portfolios grow, or fall, until ownership transfers into their names when they turn 18. In 2013, one student turning 18 had seen his portfolio grow to \$500.

The 15-year-old program is only in schools where more than half the students are in the free and reduced-price lunch programs.

"We're trying to teach healthy financial habits, and we're also trying to empower students," said Rebecca Lange-

Thernes, the program's director. "We're trying to let them see themselves as investors in their future. A lot of people in poverty are living day-to-day."

Q al literacy, in part
Baltimore, D.C.-based

CONNECTIVE OF FINANCIAL LITERACY GROUPS.

"Everywhere you look, there was news about the recession, about the economy, about jobs, about the financial services industry," Levine said. "We didn't have to convince people that it was important, people could feel it."

But Levine said the recession brought challenges along with interest as the recession forced schools to tighten their belts.

"It's a hard time to be introducing new content or new programs when the school environment nationwide is cutting back," she said.

The Maryland State Board of Education adopted regulations in 2010 requiring schools to offer financial literacy in elementary, middle and high schools. But in many cases, the instruction is built into the curriculum of a class like social studies and not offered as a stand-alone option.

Allen Cox, the coordinator of a different program in which children trade \$100,000 in virtual stocks called the Stock Market Game, said children need to learn skills early because of ballooning American college loan debt, the uncertainty over the future of Social Security and the elimination of traditional pension plans. The Maryland Council on Economic Education has been offering the Stock Market Game in Maryland K-12 schools since 1977 and had 7,450 students participate last year.

"We need to teach our kids how to save and invest and we need to do that early because of compound interest and dividends on top of interest, because that's the only thing that'll allow them to retire," Cox said. "I worry that this may be the first generation in over 100 years that doesn't retire."

Cox said the rollout of new requirements for financial literacy education in the state since 2010 has been "uneven."

"Some schools are doing a better job than others," he said. "It really comes down to the individual teacher in the classroom."

Chacona, a seventh- and eighth-grade math teacher who teaches the Stocks in the Future class at the school once a week, acknowledged to the class that he was "learning along with the rest of them," taking professional development training to master the concepts he was now teaching.

As the class wrapped up, Marcus Aiello, Stocks in the Future board member and an investment manager at Deutsche Bank who was visiting for the day, asked the students whether they would want to become stockbrokers for a living.

Almost every hand in the room shot up.

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