

Va. Schools' Enrichment: Fiscal Literacy

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Susan Helsley and her eighth grade class at Mercer Middle, competing in the Stock Market Game, where her students execute stock trades in a fantasy stock market game as a way of learning how the market works. Akshay Murthy, center, high-fives Noah Simms, right, after one of their stocks rise during class. At left is Minh Tran, Sam Tate, standing left, and teacher Susan Helsley.

As the economy spirals downward, Virginia schools are in the vanguard of a movement to teach children financial skills that might help them avoid problems their parents face.

Across the state, students are learning far more than their Maryland and District counterparts about such topics as the markets, the difference between pre- and post-tax pay, and foreclosures' effects on property values. Advocates say the subject is gaining urgency.

"There's a tremendous need for more effective economic education at the K-through-12 level," said Joseph Peri, chief operating officer of the New York-based Council for Economic Education. "I would say that as a nation, we're slowly improving, but we're not doing it nearly fast enough."

Better education, Peri said, might have helped many homeowners avoid financial trouble. "A lot fewer people would have found themselves in situations where they didn't understand the mortgage they were signing up for," he said.

At [Mark Twain Middle School in Fairfax County](#), eighth-graders are learning how to balance a checkbook, set a budget and differentiate between credit and debit cards. At Mercer Middle School in [Loudoun County](#), they are playing the stock market, and one gung-ho student has read up on [Warren Buffett](#) to become the class investment guru.

"I wish I had learned this when I was their age," said Julie Carreiro, a math teacher at Twain, in the Alexandria section of Fairfax. "I got into some credit-card debt when I was in college."

Although an in-depth financial education might have been unnecessary a generation ago, when most people spent their careers with one company and had guaranteed retirement pension plans, understanding finances has become critical. The new classroom efforts go far beyond teaching the values of nickels, dimes and pennies.

In Virginia, which since 2005 has had some of the strongest financial education standards in the country, students are required to understand various types of investments and savings. They must study insurance policies and how taxes work. They even go through a simulated loan application process. The state lets school systems decide when and how to work the lessons into math and social studies classes in secondary schools, and there is no statewide test on the subject. But financial education advocates say the classes are making students better prepared than previous generations.

Carreiro's own financial education was typical: one semester of high school economics. But "it was all abstract stuff, not personal finance," she said. In January, she and other teachers at Twain will take their students to a day-long Junior Achievement program. The organization helps teach job readiness and supports financial literacy. At the event, Twain eighth-graders will be assigned careers and obligations and will be asked to make financial decisions based on that information. They will put newfound skills to use.

Financial education experts say the subject merits in-depth treatment across several grades.

"To take a one-semester course in high school is just kind of scratching the surface," said Laura Levine, executive director of the Jump\$tart Coalition, a Washington-based financial education advocacy group. "Personal finance is not just one of these one-shot deals where you take a class and you're done."

Many jurisdictions do not even require that much. The District and 30 states, including Maryland, have no requirements, according to D.C. and Maryland officials and the Jump\$tart Coalition.

Peri pointed to elementary programs in Mississippi and Georgia as models for financial education. Other educators say that it is especially important to teach young students about savings and frugality.

Some Virginia schools are teaching financial literacy in a hands-on fashion. Susan Helsley's gifted class at Mercer Middle School in Aldie has been investing a virtual stock portfolio since the end of September.

"None of the old rules apply," Helsley said. "We're just flying along."

One recent morning, [CNBC](#) was on mute in the front of her classroom, a commentator energetically gesticulating as a stock ticker trailed across the bottom of the screen. Students peered into laptop computers, tracking their portfolios, which had been as hammered by the markets as their parents' 401(k) plans. Helsley taught them about diversified investments and other concepts and then let them decide what to do with their virtual \$100,000.

Nobody had emerged unscathed. The top group had \$91,000 that day, in part because it had kept a large position in cash.

Students had examined price-to-earnings ratios, a good indicator of whether a share in a company is overvalued or undervalued. But some also took a more casual approach.

"Okay, dude, we're deciding," Akshay Murthy, 13, said to investment partner Noah Simms, also 13. "Bonds or Guitar Center?"

"Who doesn't go to Guitar Center?" answered Noah, who had been playing air guitar throughout the session. "Anyone who plays guitar goes there."

The group had also invested heavily in [Google](#), which spiked after they purchased it but then continued a months-long decline.

Playing the market had inspired some students outside the classroom. Minh Tran, 14, read a biography of Buffett earlier in the year.

"At first, I didn't know what [Berkshire Hathaway](#) was," he said, referring to Buffett's company. "I thought it was a clothing reseller." Since then, though, he has become the resident stock expert. Classmates approach him for investment advice.

Teachers tried to explain the financial crisis as it grew. Civics instructor Christina Grace gave a primer at Twain on mortgage-backed securities. Helsley has been teaching new concepts as the story unfolds.

"It's important for them to know what's going on," she said, "because it affects them."

If there is a "silver lining" to the economic downturn, Levine said, "it might be that people will place more importance on the need to educate our kids about money so they don't make the same mistakes adults have."