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Nefe Digest

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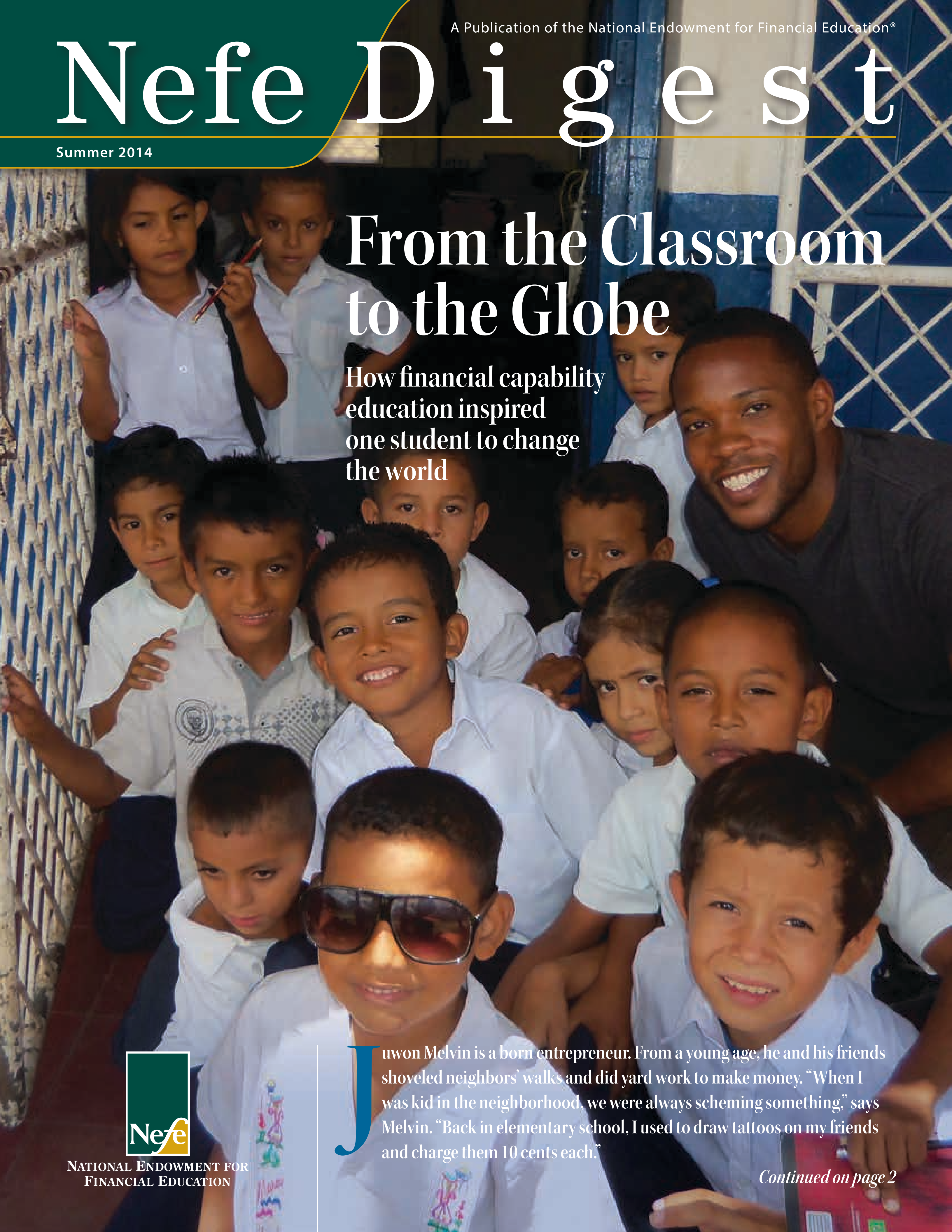

From the Classroom to the Globe

How financial capability education inspired one student to change the world

Juwon Melvin is a born entrepreneur. From a young age, he and his friends shoveled neighbors' walks and did yard work to make money. "When I was kid in the neighborhood, we were always scheming something," says Melvin. "Back in elementary school, I used to draw tattoos on my friends and charge them 10 cents each."

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National Endowment for Financial Education

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Juwon Melvin grew up in Aurora, Colo., adjacent to Denver. He attended Hinkley High School, which has an 86 percent minority student population and where 69 percent of all students are designated economically disadvantaged, qualifying them for free and reduced-price lunch.

During his senior year in 2004, Melvin and five of his basketball teammates became the first members of an after-school program called the Hinkley Finance Club, started by their coach, David McConico. The club met on Saturday afternoons and used NEFE's High School Financial Planning Program® (HSFPP®) curriculum to introduce students to the basics of personal finance, including money management, credit and debt, insurance, and investing in the stock market.

Melvin's experiences in the finance club reinforced lessons he already was learning at home, particularly from an aunt who was a successful entrepreneur and real estate investor.

"The first and foremost thing my aunt told me is to think about the future," Melvin says. "She said the most important thing you can do when you get any sort of money is to put some of it away in a rainy day fund."

Melvin enrolled at Colorado State University in Fort Collins, Colo., where he took business courses. During his sophomore year Melvin and his friend, Aaron Madonna—another Hinkley alum—turned a class assignment into their first venture.

Using a business plan they wrote as a final project, Melvin and Madonna qualified to receive matching funds from the Individual Development Account (IDA) program through Mile High United Way, which they used to start a media company called DreamReel Media. Their first project was an audio series called "Destination College," which told true stories of young people on campuses around the country who had overcome obstacles in order to attend college.

"We wanted to inspire first-generation and low-income students to think past the barriers that were immediately in front of them. We wanted them to see that if other people can do it, and they've been through the same things, then perhaps you can do it too," says Melvin.

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NEFE's High School Program Turns 30!

NEFE HIGH SCHOOL FINANCIAL PLANNING PROGRAM

Break out the leg warmers and the hairspray! NEFE's High School Financial Planning Program (HSFPP) has been empowering youth through financial education since 1984. Over the next year, NEFE will flash back to tell stories of the teachers and students from the last 30 years.

Tune into **www.hsfpp.org** to keep up on the celebration.

"We wanted to inspire first-generation and low-income students to think past the barriers that were immediately in front of them. We wanted them to see that if other people can do it, and they've been through the same things, then perhaps you can do it too."

Juwon Melvin, former HSFPP student

In the years since that first project Melvin and Madonna have co-authored two books and started a socially responsible company called LifeSoap, through which they sell private label soaps to raise funds for clean water projects in developing countries.

The idea for LifeSoap emerged as Melvin and Madonna swapped postgraduation travel stories. Melvin's travels in Nicaragua and Morocco had exposed him to poverty on a whole different level than what he was familiar with at home.

"Aaron and I sat down and asked ourselves how we could use our background in business not just to make money, but to make a difference. We started researching the big issues affecting kids in developing countries and access to clean water came up over and over again," Melvin says.

They just needed to choose a product. Madonna—who has sensitive skin—suggested organic soap.

"The idea just stuck," Melvin says. "Soap is an easy enough product to put together, and it's something we all use. It's the kind of thing most of us don't have an emotional attachment to—we just pick it up off the shelf. Why not choose a soap that makes a difference?"

Since its launch in 2011, LifeSoap has funded six projects at four schools and helped approximately 1,200 students in developing countries get clean water. While they are not yet drawing a salary from LifeSoap, Melvin and his business partners are driven by a different motivation.

"I am fascinated by this idea of using bath and body products to bridge the gap between the people who buy them—who themselves may never go to Nicaragua or Africa or South America—and the children in these communities, so that they can all be a part of this story that is unfolding," Melvin says.

Melvin says he could not have accomplished what he has without the foundation laid by the Hinkley Finance Club and the mentorship he received from McConico, who himself graduated from Hinkley in 1978.

"Watching [McConico's] example showed me what was possible for a kid from the neighborhood," says Melvin. "He lives the financial principles that he teaches to his students."

Melvin also regularly refers to one of the club's core messages: Use the assets you already have.

"The most important thing is to start," says Melvin. "And to do small things with great care. I believe that we all have the potential to have incredible impact, but potential is a relatively common thing. It's almost meaningless because—as one of my mentors says—potential means that you just haven't done anything yet."

For more information, visit www.lifesoapcompany.com.

Hearts and Minds:

How NEFE's HSFPP curriculum helped turn an after-school club into a life-changing organization

David McConico moved around a lot as a kid. His father was in the military, and the family moved eight times before high school. In the mid-1970s, they landed in Aurora, Colo., where McConico enrolled at Hinkley High.

McConico was an athlete, making all-conference in football and basketball, but a high school bookkeeping class changed all of that. McConico fell in love with accounting and he went on to become a certified financial planner (CFP®) and certified public accountant (CPA®).

While earning his financial planner certification from the College of Financial Planning (which later evolved into NEFE), McConico learned about the HSFPP curriculum. HSFPP is comprised of six modules designed to lay a solid foundation for financial independence and informed financial decision making among high school-aged students through building confidence, applying practical skills, and exhibiting sensible behaviors related to money management.

After years in finance, McConico felt compelled to leave his lucrative career in order to give back to his community. In 1996, he returned to Hinkley to coach basketball.

McConico's own passion for personal finance spurred him to offer his team the first Hinkley Finance Club in 2004, using the HSFPP curriculum and other materials. The idea not only was to talk about finance but to give the students real money for their participation. Through the United Way and other funders, the finance club offered students monetary incentives for participating in the program.

His pitch to the 16- to 18-year-old students was: "Do you want to learn about finance and earn money?"

"It was an incentive," McConico says. "Learn to earn—we called it asset development."

Maximizing one's assets—financial and otherwise—is a core part of McConico's message. He developed this formula as a sort of mantra:

$$A - L = NW \neq SW$$

Assets minus Liabilities equals Net Worth, not Self Worth.

It was a message that resonated with the students and one that McConico, as a former Hinkley student himself, believed crucial to their future success.

Doing the Math

Down the hall in Hinkley High, math teacher Bob Noyes also was teaching students about finance through his business math class, which linked mathematical concepts to financial topics—such as using exponents to calculate compounding interest.

Originally from Norfolk, Neb., Noyes studied accounting at Denver University, earning his bachelor's degree in 1968. Noyes taught math and coached football and basketball for the next 10 years—first in Denver and then in his hometown of Norfolk. Noyes took a break from teaching to start a church. But something called him back to Colorado. Thirty years after starting his career in Denver, Noyes returned to teach math at Hinkley.

At first, Noyes says, his expectations for the business math class were low, especially since most of the students struggled with basic proficiency. But when the students began to make real-world calculations—seeing, for example, how much they could earn by investing and saving early in life—Noyes recognized the potential of financial literacy and education to make a real difference in young people's lives.

"I fell in love with it," Noyes says. "That year I got my master's degree and wrote my thesis on financial literacy in high schools. I developed lesson plans that engaged the students in these topics. By the time I finished my master's, I was hooked and committed."

One of McConico's club students introduced him to Noyes and a partnership emerged, combining McConico's knowledge of and passion for finance with Noyes' math expertise.

"As a CFP and CPA, David brings in knowledge that I don't have," says Noyes. "And the kids love it. They want to learn about money."

Noyes' business math class became one of the most popular in the district. Even with Noyes teaching a full course load—five sections with 30 students each—there were 150 students on the waitlist.

Bob Noyes (left) and David McConico (right)

Of the five courses Noyes plans to teach in the 2014-15 school year, four are financial math classes. He also is helping to train other math teachers in the district to deliver the curriculum.

Changing Minds, Changing Behaviors

Students can earn up to $300 for completing the Finance Club requirements, including $200 for their engagement in asset development activities such as opening a savings account and interacting with financial institutions; $75 for skills proficiency; and $25 for a finished curriculum binder, which includes the financial math worksheets. The only other stipulation is that the student has to graduate.

These incentives initially were given to students in cash. Now students receive 25 percent in cash and 75 percent in a stock account. The money is held in a group account for the duration of a student's time in the club. After graduation, the student receives the account in his or her own name.

Even more than the money, the curriculum binder has become one of the most valued assets to emerge from the program. When one young man misplaced his binder after graduation, he came back and asked if he could make photocopies of the master copy because he valued the information so much.

"The real-world concepts and the math together address the issue of retention and behavior change," says Noyes. "Just more information doesn't necessarily do it. The math helps, because when you crunch the numbers yourself, graph it in color, and come to some conclusions, it's pretty impressive. Those pictures stick in your mind."

McConico has leveraged his funding and business allies including the the Daniels Fund and the Mountain West Credit Union Association to continue to expand the finance club's breadth and vision. Students can apply for entrepreneurship grants as well as career coaching and skills assessment.

"The career coaching gives excellent comprehensiveness to our program in terms of asset development," McConico says, "because the students themselves are the most valuable assets."

Seeing former students such as Juwon Melvin (see cover story) find success underscores the importance of inspiring young people to find a sense of purpose early.

"We want these students to develop their skills, talents, and knowledge so that they can be employed or start their own opportunities like Juwon did," McConico says. "Juwon is one of the wonderful examples of someone connecting early in life and getting it right."

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Noyes reminisces about another student who did not perform well in math class, but who, after completing the course and graduating, went on to look for a job. The student went to a construction site and before filling out an application, asked if the employer offered a 401(k) retirement plan. The company did not, so the young man moved on to the next place. He found an employer who did offer a 401(k), but did not match contributions. The young man moved on to the next place. He continued to search until he found an employer who offered a 401(k) retirement plan that matched contributions to his standards. Before the young man even interviewed, the human resources representative told him that he likely would rise quickly through the ranks. "You're going to be a manager," the HR person said, simply because he was thinking ahead to the future, and was informed enough to ask the right questions.

"I think that growing wealth inequalities are the nation's biggest moral and economic challenge."

Dynamic Calculations

Noyes reinforces basic math concepts such as percentages, ratio, and proportion in many of his financial math worksheets. "Almost all of finance is percentage and ratio," says Noyes. "So there's basic math in the curriculum, but there is also dynamic math for the future."

In one lesson, Noyes has students calculate how much money they would spend if they smoked a pack of cigarettes a day (around $5) from age 15 to 65, which turns out to be around $100,000. He then has the students graph out how much they could earn by investing that same $5 a day in the stock market. The result is between $1.7 and $1.8 million.

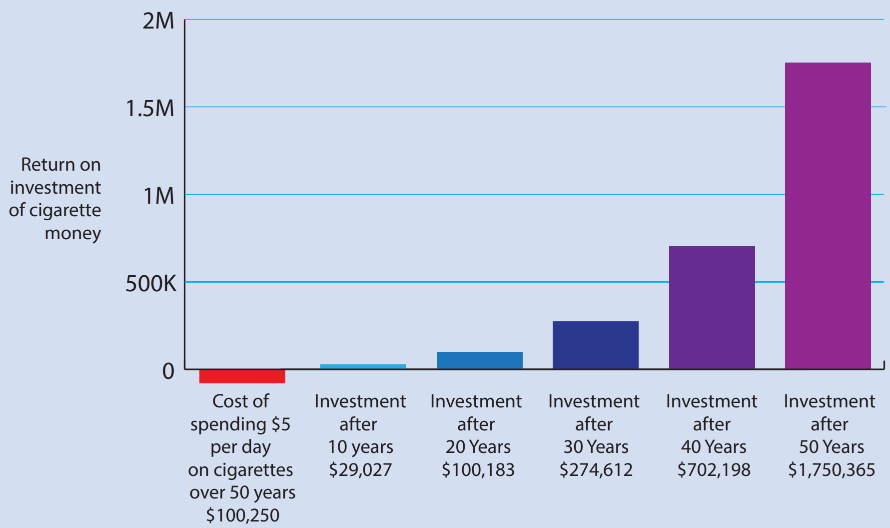
"The kids will say, 'well, I'm not going to smoke,'" says Noyes. "But then I reply, 'Ok, what about the money you spend on chips and soda?'"

This lesson also inevitably has an effect on parents.

"Once at a parent-teacher conference, a mother told me that her son got really mad at her for smoking," Noyes says. "Her son told her they could have been millionaires. The point is that kids go home and talk. This parent got the message."

Money in the Pocket or Up in Smoke?

Projected earnings from investing cigarette money in an account that compounds annually at 9 percent.



Noyes points out that even though that young man had struggled with the math, he still got the message behind the calculations, which led to a change in behavior.

But it was another young man, a senior named Juan, who perhaps best captured the spirit of the vision driving Noyes and McConico's efforts.

A few years ago there was a movement among students to stage a walkout of all the area high schools to protest a lack of acknowledgment of the Cinco de Mayo holiday. Hinkley's athletic director gathered the students in the gym to discuss the issue. One of those students, Juan, was a member of the finance club and had received financial incentives as part of the program. Juan was a recognized trendsetter among his peers, so when he stood up and said that the students should stay in school to talk through the issues rather than walk out, the other students listened.

"We were one of the few schools that didn't have a walkout," Noyes says. "I asked Juan later why he had done that. He referred back to the finance club."

Juan responded, "'The Man' has never given me anything before, but now 'the Man' is giving me something, and that makes me think different."

Noyes sees this as part of a larger vision.

"I think that growing wealth inequalities are the nation's biggest moral and economic challenge. What we are doing here at Hinkley is one of the most dynamic ways to close the gaps," says Noyes. "I have seen, and students have told me, that they have learned and changed. That's part of the reason I haven't retired yet."

From the School to the Community

On August 9, 2014, Hinkley High School will host its first Finance and Math Empowerment Festival. For more information, visit www.feetcenter.org or call 303-903-4356.

For more information on HSFPP, visit www.hsfpp.org.

Faces of NEFE: **Kimberly Roy** HSFPP Manager

Kimberly Roy first met Juwon Melvin (see cover story) when she worked for the Mile High United Way's Individual Development Account (IDA) program. Melvin was a sophomore in college and applying for an IDA to earn matching funds to start his first business, DreamReel Media.

"What I remember most about Juwon was that he had such big dreams," Roy says. Roy recalls being impressed by DreamReel's mission to inspire low-income and first-generation college students.

"Even with his own challenges, Juwon's thought was still, 'How do I pull other kids up from the bottom?'" Roy says.

In February 2014, Roy joined NEFE as manager of the High School Financial Planning Program.

Roy is a Colorado native with a passion for and experience teaching and coordinating financial education for underserved and vulnerable populations. While earning her bachelor's degree from the University of Evansville in Indiana, Roy studied abroad in France and Argentina.

In Argentina, Roy saw how macroeconomic policies impact socioeconomic issues such as unemployment and baby trafficking.

"I was a vegetarian for 15 years as a promise to the kids I met in Argentina because I never wanted to take lightly the taking of a life, the way that the baby traffickers took for granted the lives of those children," Roy says.

"I am thrilled to be a part of this work and to take advantage of these amazing opportunities to make a difference on a broad national scale."

Roy went on to earn her master's degree in Foreign Service from Georgetown University. She worked as a telecommunications analyst and taught English and financial education to refugees before joining Mile High United Way.

"I was hired to teach Somali-Bantu refugees how to do things like balance a checkbook, but many of them came from bartering communities and had never even held a pencil," Roy says. "I had to start with basics like how to read numbers. I would say one sentence and the translator would tell a 30-minute story. That is when I realized the importance of cultural translation and context when teaching financial capability."

Connecting underserved populations with financial education has been a theme throughout Roy's career. When it comes to reaching young people like Juwon Melvin, Roy says a lot can be learned from the Hinkley Finance Club model.

"If someone feels like they can't buy a house, save for retirement, or start a business because of where they live or how many resources they have at the moment, then it's easy for that person to tune out," Roy says. "Giving these students real assets and teaching them to do the math themselves is powerful because it gives them hope.

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It shows in concrete terms that small decisions—especially when it comes to saving and investing—can have big impact."

Roy hopes to continue exploring ways to reach diverse communities in her work with HSFPP.

"NEFE is a major game changer because it offers free, unbiased, non-commercial tools and resources to such a wide variety of organizations," Roy says. "I am thrilled to be a part of this work and to take advantage of these amazing opportunities to make a difference on a broad national scale."

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HOLIDAY CLOSINGS

NEFE will be closed on July 4 for Independence Day and September 1 for Labor Day.

Stop by our booth or look for us at the following conferences:

Center for Financial Services Innovation	June 4 – 6	Los Angeles, Calif.
National Conference on Volunteering	June 15 – 17	Atlanta, Ga.
Public Radio News Directors Conference	June 18 – 21	Washington D.C.
Society for Human Resources Management (SHRM) Conference	June 22 – 24	Orlando, Fla.
Clinton Global Initiative (CGI America)	June 23 – 25	Denver, Colo.
American Association of Family & Consumer Sciences (AAFCS) 105th Annual Conference & Expo	June 25 – 28	Saint Louis, Mo.
American School Counselor Association (ASCA) Annual Conference	June 29 – July 2	Orlando, Fla.
Programme for International Student Assessment (PISA) Financial Literacy Data Release	July 9	Washington, D.C.
National Council on Problem Gambling	July 9 – 12	Orlando, Fla.
National Area Agencies on Aging	July 13 – 16	Dallas, TX
National Council on Education Partnership (Gear Up)	July 20 – 23	Washington, D.C.
National Youth Involvement Board (NYIB) 39th Annual Conference	July 30 – August 1	Grand Rapids, Mich.
Community Action Partnership	August 19 – 22	Washington, D.C.

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The mission of the National Endowment for Financial Education is to inspire empowered financial decision making for individuals and families through every stage of life.

All questions regarding *NEFE Digest* may be addressed to the Marketing and Communications department. Editor: Cara Hopkins. NEFE is open Monday through Friday, from 8:30 a.m. to 5 p.m. Mountain Time. The main telephone number is 303-741-6333; the fax number is 303-220-0838.