

Camps, classes seek to teach kids about money

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TUSCALOOSA, Ala. (AP) _ While his friends spend their money on video games and candy, Nicholas Sella saves most of his \$8 weekly allowance, investing part in stocks and stashing the rest into a savings account.

But as the current credit and mortgage crises demonstrate, not everyone is as financially prudent as this 14-year-old from Tuscaloosa — many people are in over their heads with debt and have too little in the way of savings. A major part of the financial distress of many Americans, experts say, is that they never had good lessons on saving and spending when they were growing up.

There are signs that the current generation of young people may have a better education. Although a personal finance class was a requirement for high school graduation in only seven states last year, according to the National Council of Economic Education, alternatives such as camps, interactive Web sites and investment programs targeting children are emerging to help fill the gaps.

Still, classes and other activities can only do so much. For good financial practices to really take hold, parents should lead by example and include their children in household money matters early on, according to those active in finance and financial education programs.

"Kids need to get involved with money and they need to handle it," said Bob Nusbaum, a financial planner in Pittsburgh, who said exposure can start as early as age 4 or 5. "Parents need to involve their kids in financial decisions as soon as they are old enough to grasp it."

Jan Brakefield, an assistant professor at the University of Alabama, ran Camp Cash at the school for the first time this summer and hopes it will become an annual program. Nicholas Sella, who owns stock in Deere&Co., Altria Corp. and McDonald's Corp., was one of 18 middle schoolers who attended the two-week money management camp.

"I just believe that at this age it's more likely to stick with them for life," Brakefield said.

Once kids hit high school, she said, they are more interested in spending money on dating and trendy clothes and gadgets. She said good financial instincts — saving, delayed gratification, investing — need to be instilled before that point.

Brakefield tried to incorporate as many tangible examples as possible to keep her students' interest. On the first day of camp, she gave each student \$5 and took them to a store to buy something to write with while at camp. She said they could spend as much of the money as they wanted and pocket the rest. Students then had to explain their choices, and the group discussed the different strategies.

Through in-school and after-school classes, special events, camps, rallies and conferences, a Florida-based company called **YoungBiz** teaches teenagers about business, entrepreneurship and personal finance.

"It's all about empowerment, whether it's entrepreneurship or financial literacy," said Bonnie Drew, the company's senior executive vice president. "When you believe that you are smart enough and capable of making decisions about your employment and your finances, you will make better decisions."

The Web site of the company, based in Siesta Key, Fla., celebrates teen-run businesses to encourage other teens to start their own businesses and give them pointers on how to proceed.

Monetta Financial Services' Young Investor Fund is a mutual fund designed to help kids save money for college or other big purchases and to teach them financial literacy. About half the fund's assets are in funds that seek to track the S&P 500 Index and return a good profit, while the other half is invested in large companies kids know — like McDonald's, Walt Disney Co., Apple Inc. and Coca-Cola Co.

Bob Bacarella, president and portfolio manager for the Wheaton, Ill.-based company, said the fund gives young people a feeling of ownership over companies they are familiar with, which keeps them interested.

Monetta sends its young investors age-appropriate materials and has a Web site with educational games.

"I seriously believe that the only way kids learn about financial literacy, which is a pretty dry topic, is to get them directly and actively involved," Bacarella said.

That is the key to all these approaches — they use fun methods to teach useful skills. Unlike consumer science classes of the past, where teachers lectured on mortgage payments and balancing a checkbook to bored students who didn't see immediate applications in their own lives, kids can get excited about following the stock prices of their favorite companies or touching and spending small amounts of money to learn about purchasing decisions.

While all these tools are useful to get kids thinking about money management, parental responsibility plays a huge role because young people tend to mimic their parents' financial behavior, said Paul Golden, spokesman for the National Endowment for Financial Education.

NEFE, based in Greenwood Village, Colo., has a seven-unit curriculum geared toward high school students that is free to schools. But Golden said many schools don't teach personal finance because they don't have time or because teachers themselves aren't sure how to broach the subject.

"It's really a hard topic to break," Golden said. "It's not the sexiest topic, and people don't tend to talk about money because there is a taboo about it."

He said parents need to get past that taboo and include kids in financial decisions and show them how money flows through the household — but they also need to be strong financial role models so their kids don't pick up bad habits.

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