Business

Program Teaches Students About Stocks, Raises Academic Achievements

By Alan King
AFRO Staff Writer

Walking through a row of sixth graders in her class at Dickey Hill Elementary/Middle School, Jacquelyn Johnson captured her students' attention with a question.

"How many people like pizza?" she asked.

Instantly, 17 hands shot up. And the students cheered when their assignment on Feb. 12, involved them creating a fictitious pizza company.

But before they could get started, Johnson gave them some terms to define such as start-up money, equity, dividend and retained earnings.

The school on Dickey Hill Road was among 14 in Baltimore City and Baltimore and Carroll Counties with a Stocks In The Future (SIF) Program. Developed by Johns Hopkins University in 2002, the multi-year academic program teaches middle school students strategies for earning, preserving and investing money.

Basic academic skills are also reinforced through weekly classes addressing the fundamentals of the stock market. An incentive for student achievement is the possibility of earning $80 a year – including $36 for perfect attendance for the year, with an earning potential of $24 for A's in both reading and math.

The money is used to purchase publicly traded company stock – such as SONY and Coca-Cola – which each student tracks on their personal online portfolio pages. When they graduate from high school and turn 18, stock ownership is legally transferred to their names.

Courtesy Photo

Jacquelyn Johnson, a sixth-grade teacher at Dickey Hill Elementary/Middle School, teaches students about the stock market as part of Johns Hopkins University's Stocks in the Future (SIF) Program.

"We captured the students' attention because we're talking about money," said Pat Bernstein, SIF chair and founder. "But the truth is…the program is about getting them to come to school more often and improving their performances…So we're teaching them the relevancy of school and how it can pertain to the outside world."

It was the first time Markeith Rowley, a retirement counselor at Fidelity Investments, had heard of such a program.

"It sounds like a really good idea. It exposes them to an industry that they probably would not have exposure to until their middle age," said Rowley, whose company is the world's biggest mutual fund company. "Another thing that is beneficial to them is they become shareholders at such a young age."

Eleven-year-old Devontae Wilson, who wants to be a pilot or an athlete, already has big plans for his money when he graduates from college.

"I want to buy a new house and give my mother some money," Wilson said. Of the class, he added: "It's just fun."

An experiment conducted by Johns Hopkins University found that SIF middle school students attended school 10 days more than control groups. SIF seventh graders scored 31 percent higher on the Johns Hopkins Short Achievement Test than control groups.

Joyce Hughes, principal at Dickey Hill, said the program was a win-win.

"This is the extra that encourages them [sixth graders] to go above and beyond, and perform even more than they would normally perform," Hughes said. "When they are talking to me about the program, they're actually using stock terminology that they're learning in the class."

Johnson began her class with a flash review of a selected response exercise.

Johnson: "The risk of buying stock is…"

Class: "(D) the company may fail."

Johnson: "You can make money from stocks by…"

Class: "Selling them at a higher price than what you paid for it."

When Johnson asked the class what they needed for the business, Rashad Reed suggested placing an ad in newspapers.

"Oww! You're showing off today." Johnson said.

Angela Sowels, Dickey Hill's technology teacher and SIF teacher, just smiled.

"A lot of them have never had experience with a bank before, so they don't know anything about investing," Sowels said. Of the program, she said, "It gives them an opportunity to see that they can actually own something."

Baltimore Business Briefs

Hopkins Cuts Costs

According to an article in the *Washington Business Journal,* Johns Hopkins University President William R. Brody recently announced the school would freeze hiring and cut costs to reduce a revenue shortfall expected to surpass $100 million.

In a letter to Hopkins' staff and students, Brody wrote that the university's endowment lost roughly 20 percent of its market value in the first six months of its fiscal year through Dec. 31. The endowment was $2.1 billion at the end of the year.

Brody also said he expected a revenue shortfall of more than $100 million in 2010 and 2011.

"I believe it is now clear — much clearer than even a few months ago — that we will have to take some unified, across-the-university measures in response to those challenges…"

The move shows that even Hopkins, one of the region's most powerful institutions, is feeling far-reaching effects of the recession. "

"The university is Greater Baltimore's largest private employer, with more than 30,000 employees," the school's president wrote.

Other provisions being taken to reduce costs include:

- A voluntary 5 percent salary reduction for all executive leadership for the school's president, divisional deans, directors and vice presidents; savings form the salary reduction will fund division priorities and student aid.

- Effective immediately through June 30, 2010, a hiring freeze for both faculty and staff positions

- Freezing salary increases, except those that are required by contract, in the fiscal year beginning July 1

- Elimination of overtime

Better Business Bureau Warns Consumers about False Deals, Sales

The Better Business Bureau (BBB) is warning shoppers to be alert for false deals when shopping for going-out-of-business sales.

The consumer advocacy group noted the recent bankruptcies and liquidation sales of national retailers Linens-N-Things and Circuit City in its announcement. According to the BBB, when a retailer such as Circuit City liquidates its assets, the actual sale is run by a liquidator that will set the prices and attempt to sell the items quickly and at the highest profit. As a result, some items will be marked up for the sale.

According to the *Washington Business Journal*,an ABC News report revealed that many items sold during Linens-N-Things' liquidation sale were marked up as much as 14 percent. Consumer Reports said Circuit City's liquidation sale included deals such as a big-screen TV that had been marked up by $400.

"In this economy, we're all looking for bargains," said Fred T. Elsberry Jr., president and CEO of the BBB Serving Metro Atlanta, Athens and Northeast Georgia, in a news release. "Unfortunately, the bargains are not always as advertised at going-out-of business sales and some consumers don't realize they're getting ripped off when they're supposed to be getting a deal."

The BBB said consumers should be certain that a deal really is a deal, and should use credit cards since they include built-in consumer protection.

Strayer Welcomes Increased Enrollment During Recession

Despite economic woes causing even the most distinguished universities and institutions to falter, Strayer Education Inc. announced that it welcomed more students to its adult education courses last quarter, according to the {Washington Business Journal.}

The company said their higher enrollment numbers and a 5 percent tuition increase have boosted revenues and profits.

Strayer, an Arlington-based company, announced its net income in the fourth quarter of 2008 increased 24 percent to $24.2 million, compared with $19.5 million in the same period a year ago.

Robert S. Siberman, Strayer's chief executive officer, expects the growth to continue.

"We had a successful start to 2009 with the opening of new campuses in Augusta, Ga., and Huntsville, Ala.," Silberman said. "We look forward to our new campus openings for the 2009 spring term in three new Strayer markets."

Wachovia Realigns Local Leadership

As Wachovia Corp. begins integration with Wells Fargo & Co., the organization is realigning its local leadership structure into more specialized areas, the {*Washington Business Journal*} reported.

North Carolina-based Wachovia, the largest bank by market share in the D.C.-area, was acquired Jan. 1 by Wells Fargo.

Under its current leadership structure, Sam Schreiber is Wachovia's regional president and oversees all lines of business in the D.C. and Baltimore markets. But under the company's restructured system, which takes effect March 1, leadership for the District, Maryland and Virginia will be divided into two main sectors: community banking and commercial lending.

This brings leadership closer to the customer, and closer to the market," Schreiber said in an interview. "As opposed to us being generalists, we are becoming specialists."

Pete Jones, Wachovia's previous western regional executive, will lead community banking for the region. Community banking includes retail and business banking to companies with less than $30 million in revenue.

Overseeing the regional commercial lending will be Carlos Evans, which focuses on larger deals with companies bringing in more than $30 million in revenue.

Each sector leader will oversee regional executives in charge of more specific locales.

George Swygert will lead retail banking in greater Washington, while Andrew Bertamini will head retail banking in Baltimore.

"These changes will be largely transparent to customers, said Scheiiber, who added that he's excited about his new role. Ultimately, Wachovia will become Wells Fargo through a slow and methodical transition, Schreiber said.