

8th Graders Manage Major Stocks

St. Philip Neri School's 8th Graders are learning lessons about finances that have them thinking way beyond their classes and grades. These students actually research, purchase, sell and manage shares of major stocks with companies like Apple, Boeing, Google, McDonald's and more. They also pay into personal savings accounts and watch their money grow until they receive it back with interest on graduation day. For these students, academics have met the real world.

It all started 7 years ago with Charles Bobrinsky. He is Vice Chairman and Director of Research at Ariel Capital Management, LLC./ Ariel Mutual Funds, and also a member of the Big Shoulder's Board. He brings the monthly Investment Education Program to St. Philip Neri as part of his company's civic outreach to the community. It is Bobrinsky's objective to make Business and Mathematics make sense and come alive for children. The program exposes students to concepts and skills many of them would not otherwise learn until much later in life, if ever. "Their faces light up when they check the markets and find out the stocks they purchased are going up," Bobrinsky said. He continued, "I love seeing how engaged they are." The students respond very well to the material and Bobrinsky. St. Philip Neri's Principal, Ms. Mary Lou Piazza, noted, "As a result of this program, the 8th graders work cooperatively and get a good grasp of investment opportunities for the long term."

During Black History Month, the session's theme was "Ujamaa", which means *cooperative economics* in Swahili. The students were taught to calculate *price earnings ratios* and they voted as a group on which stocks to purchase and sell. The session ignited lively debates. Aaron and Jarvis, two of the 8th graders, insisted on purchasing a share in Disney because they believed it would pay higher dividends over time. However, the majority of the class outvoted them and chose to buy shares of Google instead. Aaron argued, "We invested in a real good company, but the shares cost too much right now." Jarvis agreed and added, "We would have done better with Disney's stock because it has more versatile earning power." But for now the two boys and the rest of the class are living with the group's decision. They class will continue tracking their results until next month when they will review their stock portfolio once again.

The students also save their personal money and pay into special savings accounts on a monthly basis and watch the interest grow over time. The hands-on training helps them to actually experience the effects of spending, saving and investing. "Our aim is to foster habits early on that will keep young people out of debt and increase their net worth in the future" said Bobrinsky.

Each year at graduation time, the 8th graders sell all the stocks they have previously purchased and divide the proceeds equally among themselves. They are also rewarded with their personal savings plus interest. Then, as a group, they also donate half of their proceeds back to the School to drive home the lesson they have learned about reinvesting in their community. The donation from the class of 2007 helped defray the cost of brand new desks for the 8th grade classroom. These St. Philip Neri 8th graders are building upon the strong educational foundation they are receiving at school and headed in a good direction in their lives.