

Game teaches finances to Peoria High School students

by Kristena Hansen - Feb. 2, 2012

The Republic | azcentral.com

About 100 Peoria High students recently got a dose of reality as they were given budgets and then had life fly at them.

Forgot to return that rented movie? \$50.

Semester grades on hold until campus parking tickets are paid? \$200.

That night out bowling results in a negative bank account, plus overdraft fees? \$40.

It was eye-opening for the students, freshmen through seniors, who learned the real-world lessons while playing a board game -- dubbed ThriveTime For Teens -- created specifically to teach teens to wisely manage their finances.

Many say young adults too often leave high school without a firm grasp of how to handle money. To counter that, two Valley businesses are bringing the board game to schools to get kids thinking about smart financial choices that will carry them through retirement.

Last Friday's contest at Peoria High was the kickoff to the ThriveTime Scholarship Challenge, which is slated to visit about 30 other Arizona high schools over the next few months.

Students winning the board game at each school earn up to \$125 and move on to the final competition in April at Grand Canyon University. The winner will receive a \$5,000 scholarship to their college of choice. Second- and third-place finishers will receive \$2,500 scholarships.

Arizona State Treasurer Doug Ducey attended the kickoff to emphasize the importance of good personal financial decisions.

Ducey said many Americans lived beyond their means for too long, and in the recession, the consequences have been exacerbated.

He said educators and parents can help youths learn from their mistakes.

"As we go forward and the economy slowly recovers, we want to make sure people, and especially young people, have the foundation to make the right decisions," Ducey said.

Jiovanni Garcia, 16, a sophomore at Peoria High, said he has made it a priority to learn good financial habits while in high school because he refuses to live paycheck to paycheck as an adult.



Charlie Leight/The Republic

A student reads her game card during the ThriveTime Challenge at Peoria High School on Jan. 27, 2012.

"Looking at my family, a lot of them do not know how to spend and watch their money wisely," Garcia said. "I want to prove that my family is not all like that."

Preparing youths

ThriveTime is the brainchild of Susan Lechter, who founded Paradise Valley-based Pay Your Family First LLC with Chandler non-profit Choices Educational Empowerment Inc. to launch the competition.

The idea for the game was seeded in 1992 when her son fell into credit-card debt in college that took seven years to pay off. That's when Lechter, a veteran certified public accountant, dedicated her professional career to teaching financial literacy to youths.

"I couldn't wait on the school systems to change anything, so that's why I created this game," Lechter said.

What schools do

In the Deer Valley and Peoria unified school districts, financial literacy is taught in high school as part of a required economics course and an optional advanced math class. Some schools also offer finance-related courses as part of career and technical education classes.

When four years of math becomes a graduation requirement starting next year, Deer Valley will offer an optional financial math course to cover such areas as loans, credit cards, insurance, college and retirement planning.

Some educators say the recent recession illustrates the need for early education in personal finance and schools should do more.

"The smallest part of our curriculum is personal finance," said Doug Beaumont, an economics teacher at Peoria High.

A couple of days is all the state requires, but Beaumont said he spends a week because he knows it is critical.

"We could easily make it a whole nine-week class," he said.

Cindie Hubiak, president and CEO of the Arizona Society of Certified Public Accountants, said good financial habits are first learned in the home.

But she said it would be helpful "when a school is sharing that same message of fiscal responsibility."

Peoria High School senior Justine Romero, 18, acknowledges she isn't frugal, spending too much on food, clothes and hair.

Romero said she wishes her high school classes offered more lessons on fiscal responsibility.

"I know my mom has told me but, you know, I'm a teenager so of course I'm not going to listen to my parents," she said.

More debt means less options

Hubiak said those who learn good financial habits at an early age are significantly less susceptible to falling into debt, which has a domino effect to other problems.

"The more financially conscious young people are the more choices they have, the more they can follow their dreams," Hubiak said. "When you get into debt, you lose choices."

Eric Sholberg, a CPA with 401(k) Advisors-Arizona LLC in Phoenix, said the biggest problem he sees is people who don't habitually put money in savings or procrastinate on retirement planning.

"We're trying to help people catch up," Sholberg said.

A recent national poll by Country Financial found that only 24 percent of respondents have enough in savings to live and pay bills for at least five months, while 33 percent live paycheck to paycheck.

About 55 percent of young adults aren't saving for their retirement while 40 percent don't even have a savings account, according to Financial Literacy among the Young: Evidence and Implications for Consumer Policy, a 2010 research study by Dartmouth College, the University of Pennsylvania and Harvard University.

The average American's credit-card debt in 2011 was about \$6,576, according to Creditkarma.com.

Challenges ahead

Decisions facing today's youths are nothing like what their parents and grandparents had to face, Sholberg said.

In an age of rising college tuition rates, cost-of-living increases and a persistently materialistic society, young adults must work extra hard to save, prioritize spending and be extremely modest with credit-card use, he said.

And with employer-provided pensions dwindling, they'll have to be especially diligent with retirement planning, Sholberg said.

"That's a tough thing that has just been forced upon this generation and all of the generations coming up," he said.

For Romero, she got a taste of investing while playing ThriveTime For Teens.

The game required her to invest in two shares of stock in a publicly traded company -- something she vaguely remembers from economics class but didn't actually learn until playing the game.

Now, stock market investing is something she sees herself doing in the near future.

Top barriers to financial success

Procrastination: Many people either wait too long or never get around to planning for their future, such as saving for retirement.

Debt: Credit-card debt is particularly problematic because people generally don't understand the terms, fail to pay off the full balance quickly or have too many in their wallets.

Inappropriate investing: People can hit problems when they don't do enough research on the investments themselves or on the people with whom they're investing.

Disregard for inflation: Many people's savings lose purchasing power when it doesn't keep up with inflation. As the cost of everything rises, so should the amount being saved.

Lack of knowledge: People often lack an understanding of finances, which inhibits them from making decisions that produce short- and long-term benefits.

Taxes: People often pay more taxes than they have to because they don't take advantage of new tax programs, which are constantly changing.

Source: 401(k) Advisors-Arizona LLC.

Read more: <http://www.azcentral.com/community/peoria/articles/2012/02/02/20120202peoria-high-school-finances-game.html#ixzz1LLpTtol>