



2017 Program Recap

The 2017 Edwards Initiative-sponsored investment education programs featured the on-campus *Portfolios Investment Education Workshops* at Northern Kentucky University for high school and middle school students, the online *Investment Simulation 2017* program for high school students, the online *Weekly Challenge 2017* program for high school students, and the *Investing in Students: Making Math Count* initiative for Kenton County middle schools which included a kickoff event at Turkey Foot Middle school, in-class *Portfolios* workshops at all schools, a multi-week online *Investment Education Challenge*, and a *Portfolios* Tournament held at Northern Kentucky University.

The goal of the programs is to provide meaningful long-term investment education to middle school, high school, and university students. The programs impacted approximately 3,000 students in 2017.

Expanding Vision under the Edwards Initiative

After a decade supporting the world's best investment education, the Edwards Foundation created and established the Edwards Initiative, a public 501(c3) foundation committed to growing the programs' success in order to impact more people—and to using an award-winning methodology to tackle additional financial topics.

An initial step was the creation of a new Edwards Initiative website at edwardsinitiative.org.

A screenshot of the Edwards Initiative website homepage. The header includes the logo and navigation links: SIMULATIONS, SPONSOR, BE A HOST, ABOUT US, and CONTACT. The main content area features a large green leaf icon on the left and a headline: "What if students and adults could have access to some of the world's best investment education receiving rave reviews from 401(k) plan participants? Now they can!". Below this is a section titled "GROWING THE FINANCIAL EDUCATION REVOLUTION" with several paragraphs of text. On the right side, there is a quote from Robert Jung, CFA, CPA (inactive), Edwards Initiative CEO: "The purpose of the Edwards Initiative is to bring together those looking to sponsor world-class financial education with those who can benefit from it." The background of the main content area is a stylized landscape with green hills and a blue sky.

The new site will be the focal point for expansion of Edwards Initiative programs, including a new video-based *School of Investing* in 2018.

Portfolios Investment Education Workshops

The *Portfolios* workshops feature the *Portfolios Investment Simulation Game*, a long-term investment simulation that teaches concepts that individuals must understand in order to make decisions regarding retirement plans. Players learn about investing by experiencing investing. During the course of the 10-year simulation they discuss and implement asset allocation strategies, collect interest and dividends, experience realistic market changes, calculate portfolio values and percentage returns, and learn how concepts of compounding, diversification, risk, and defining goals relate to the decisions they will make in real life.



Elder High School students at Northern Kentucky University

Assessment

The *Portfolios* program incorporates a before and after knowledge assessment along with feedback from students and teachers. The pre- and post-game quiz is a challenging quiz designed for a general adult audience. One of the goals of the pre-game quiz is to raise an awareness amongst participants of issues they should be alert for throughout the session. The topics in the quiz are related to important issues that every individual should understand in order to be able to make sound real-world decisions about long-term investing. High school students scored an average of 32% correct on the pre-game quiz and 73% correct post game.

Sample student comments

Great program! I learned a ton and had a great time I would highly recommend to others.

I thought this program was outstanding! It gave me a picture of how the stock market worked and made me consider my options as I start making money. Thank you so much!!!

It was fun the way they turned something that could have been boring into something I enjoyed.

I liked the game and getting to see NKU. Also thought the game was a fun way of learning about investing.

Program was very informative and helped me understand a lot about diversification and risk. I learned a lot about bonds and money markets that was very useful.

I loved it!!!! I learned a lot about how to manage my portfolio.

The program was fantastic and loads of fun. I like how it was hands-on.

The program helped me to have a better understanding of this field and it was an eye-opener.

This program was awesome!!!

Sample teacher comments

Great interactive workshop that gets kids talking about and understanding investment portfolios. Instruction is spot on with enough guidance to get kids working on their own by the end. Fast-paced which keeps kids on their toes and involved.

Stuart and Sharon do a great job of engaging the kids. The entire day is well organized and designed. The experience reinforces what we have taught about investing

No other activity we do in class or any other field trip can simulate the students' engagement of critical thinking, analysis, creativity, collaboration of communication and math skills than the Portfolios program.

This program is the most valuable three-four hours of instruction. This is the most popular field trip.

Well organized and thorough! Excellent job introducing vocabulary and delivering difficult concepts.

Great day for the kids. As a personal finance teacher, I look forward to this trip every year.

This is now my 4th time taking my students here and each time they've come away having a GREAT time while learning so much about investments.

Amazing as always! These kids learned so much and had fun doing it!

Current state of financial education

We asked teachers, "Is enough being done on a statewide basis to prepare students to make sound financial decisions?" Sample responses include:

No, especially in the preparation of teachers to teach the subject to them, relay the information to students.

Based on what I teach, no. I only have one semester combined with geography to teach economics and that doesn't include personal finance. No business classes with that focus either.

No! This program was a great tool for the students to get a sneak peak of their future.

No - I think programs like this, to classes like personal finance, should be mandatory in the curriculum.

No, still no.

Teacher responses have been consistent on this topic over the years. While there is some acknowledgement that an ability to make sound financial decisions will be important to the well-being of all students, there are significant challenges to addressing this effectively in the schools. As noted by the teachers themselves, many teachers simply aren't qualified to teach the subject (and this isn't remedied by a one-day seminar where they receive free workbooks). Moreover, some of the programs that have been used in schools for years such as online stock trading simulations based on 10-week, real-time markets, result in a focus on short-term trading and the use of strategies that are generally the opposite of what is prudent for most individuals.

In contrast, the programs offered through the Edwards Initiative are designed to help teachers help students in an area of critical importance. The programs are derived from simulations created to help adults make better choices about long-term investments and other financial matters. The programs are offered to schools in a way that make it easier for teachers to incorporate in their curriculum, in a time-efficient manner, and without the need for them to be subject matter experts.

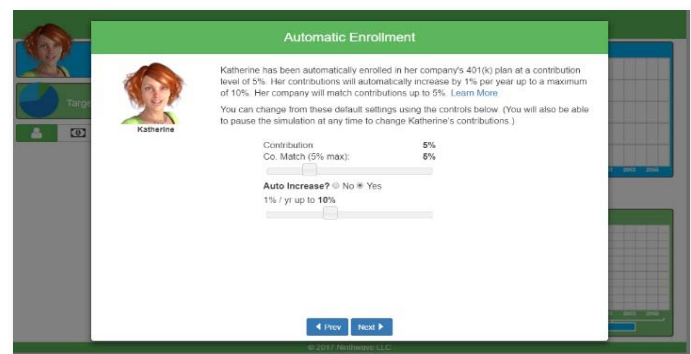
The "Growing the financial revolution" vision of the Edwards Initiative is directly aimed at changing the way financial education is provided to students.

Online Investment Simulation 2017

The *Investment Simulation 2017* is a modified version of an award-winning simulation designed to offer engaging long-term investment education to a corporate 401(k) audience. Students guide a character (which they can customize for age, salary, beginning balance and investment strategy) through participation in a simulated company 401(k) plan. The simulation runs on computers, laptops, and smart phones and takes about ten minutes to complete. The program is targeted to high school and college students.

For high school and college students, the simulation prepares them for participation in a company retirement plan. They learn key concepts about how typical 401(k) plans work, the major types of investments, contributions and employer match, asset allocation, diversification, mutual funds (including target date funds), various types of risk and strategies to manage risk over time, the power of compounding, and a perspective on the normal ups and downs of the financial markets.

For teachers, the simulation offers a way to ensure their students have access to meaningful investment education without a need to be an expert themselves.



At the conclusion of the simulation we ask students for their feedback. Percentages shown are for those who agree with each statement:

- 96% *The Investment Challenge was a valuable use of my time.*
- 98% *I plan to take advantage of retirement plans offered to me when I begin my working career.*
- 86% *I expect to be a millionaire—possibly a multi-millionaire—by the time I retire.*

Sample student comments

Great simulation on how different types of investments affect your future. Glad I learned this early!

It makes me want to invest in bonds and stocks so I can hopefully make some money.

I see what I have to deal with, and I feel it's not going to be easy. I'm going to do everything I can to increase my funds, and hopefully one day start making millions.

I think that it teaches students or anyone who participates in the simulation to begin saving young and be wise with your money and investments.

I thought this was a nice experience to see how retirement plans work. Now I know how to work on my retirement plans.

The program is really useful. I now know about bonds, stocks, etc. as well as their roles in investment. I'm starting my plan to become a millionaire right now!

This program is awesome. REALLY opens my eyes to what options I have for the future. Great work!

Wow! That was so much fun...

Online Weekly Challenge 2017

Like the *Investment Challenge 2017*, the *Weekly Challenge 2017* is adapted from a highly successful educational program designed for a corporate 401(k) audience. Over the course of four weeks, participants are presented with puzzles or other engaging activities designed to help them think about retirement investing in a different way.

Week 1 uses a “zero knowledge” game to illustrate how difficult it is to achieve a goal if you don’t know the rules and compared this to the difficulty in retirement planning. A well-known riddle is used to emphasize the most important factor in investing.

Can you win a game if you don't know the rules?

Try to solve the puzzle below. *Pick a square to begin.* If you need help, you can ask for a clue. If you give up, you can have it solved for you.

?

Solve it for me

Week 2 uses a magic trick to introduce an exploration of the “magic of compounding.”

Week 3 uses a classic test of overconfidence to illustrate how difficult it is to predict things, including the stock market, leading to an exploration of how asset allocation (and target date funds) can be used to manage risk over time.

Week 4 uses classic brain teasers to illustrate how “labels” can be misleading and uses the concept of a “four-sided coin” to explore the interaction between time and risk in the stock market.

Sample student comments:

Great questions and examples, helps reinforce the notion concerning investing, to make someone think about the time, discipline and knowledge.

I thought that the program was very fun and eye-opening in the sense that it was informative not only after you won, but also during the game. It was fun, because I wasn't quite sure what I was doing, but I enjoyed doing it.

Explains the magic behind compound interest, and how it effects money over time.

I was unaware of the impact of time on the markets, and that investing over a long period of time drastically reduces risk.

I loved it!

Magic and Investing

We're going to use a magic trick to introduce the next topic.

Step 1: Choose a card and remember it. Then, click the top of the column that contains your card.

Col A	Col B	Col C
A ♣	5 ♠	Q ♣
J ♣	10 ♣	Q ♦
8 ♣	10 ♥	K ♦
6 ♥	4 ♦	9 ♥
7 ♥	J ♦	Q ♠
9 ♠	A ♥	8 ♠
3 ♣	3 ♦	10 ♦

Investing in Students: Making Math Count

The *Investing in Students: Making Math Count* program uses money and investing as a context for making the 7th grade math curriculum interesting and relevant for students. The initial idea for the program came when a simplified version of the *Portfolios* game was presented to middle school students. When pressed for time students were told they could, "Skip the math part." The students refused. They wanted to do the math!

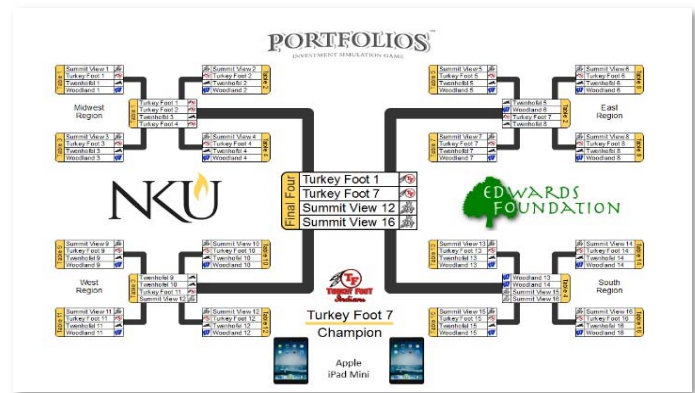


The program starts with multiple in-class *Portfolios* events for all participating students. In January, the students begin an 8-week online *Investment Challenge* and the top 128 students qualify to participate in a culminating *Portfolios* Tournament in early April. Students answer investment related math questions to earn “simulation dollars” and then invest their money in a Conservative, Balanced, or Aggressive portfolio. Each week covers five simulated years so that the entire 8-week

simulation represents a 40-year investment period. Over the 8-week simulation, students are engaged in a dynamic story that helps them discover the secret of how they can be a millionaire by the time they retire. Teachers have ongoing access to data regarding student participation and performance. The math problems included in the simulation were reviewed with Kenton County Math Consultant Jenny Barrett to ensure compliance with the 7th grade math curriculum.

Portfolios Tournament

The *Portfolios* Tournament, held at NKU, is a three-round, NCAA style tournament with 64 two-student teams in the opening round. Winning teams advance to the Sweet Sixteen and then to the Final Four. Other teams continued to participate in a consolation bracket. The 128 participating students are determined by the top portfolio values in the multi-week online *Investment Challenge*.



The two students on the championship team each receive Apple iPad Mini tablets. Additional prizes are awarded to other participating students. The top student from the online *Investment Challenge* along with the teacher of the classroom with the highest average portfolio value (a measure of both participation and performance) are acknowledged and receive awards at the event.

The tournament has been well received by students and teachers, as well as other program stakeholders, as noted below.

I think the reason it's successful is because it not only is innovative and creative and so it's inspiring them to see the application of math to real-world problems, real-world issues. What I also like about it is that they work in teams and the future of employment, the future of the workforce, is creating the ability for students to learn that they need to work in teams to solve problems, to improve themselves, and to improve the community.

—Geoffrey Mearns, NKU President

I think it not only gives validity to the program but I think it also shows students that there really are authentic reasons that they need to explore and learn math at a deep level.

—Dr. Terri Cox-Cruey, Superintendent, Kenton County Schools

It's really helped get some kids excited about math who otherwise maybe don't do as well in math and this has given them a chance to experience some success.

—Jenny Barrett, Kenton County Math Specialist

Contact and Additional Information

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