BY KELLY ST. JOHN REGIER

Money 101

A new O.C. nonprofit is teaching teens about lifelong money management.

When it comes to kids and money, Jay Roberts is continuing to think big.

He wants to see personal finance become a part of the core curriculum for every high school student across America.

Roberts is a co-founder of the Global Financial Literacy Initiative (GFLI), a new Orange County nonprofit organization with a mission to empower teens around the world to manage their finances responsibly.

"We feel that financial literacy is almost like a health class," says Roberts. "It's a life skill."

Other than brief mentions in a typical economics class, few high school students get any instruction in simple financial planning or money management prior to graduation, he says.

A certified financial planner and senior associate for the Wealth Advisory Group LLC, Roberts says the idea for the initiative came to him when he was studying to enter the profession.

"We were studying the principles of good planning, and I just thought, 'Everyone should know these.' High school economics touches on financial principles, but we feel young people should learn to manage their finances responsibly," he says.

Roberts partnered with Ehsan Roosta and Daniel Head to launch the nonprofit and develop a curriculum outlining six pillars of a young person's financial life: budgeting, savings, credit cards, credit score, student loans and investments. Their fun lessons use pop culture, and team projects to discuss money management.

They created an accessible presentation centered on a case study of basketball great Allen Iverson, engaging high school students in a discussion about different financial choices he faced at different stages of his life. Students are also divided into teams to talk about financial decision-making.

Roberts recently gave a presentation to 80 students at Los Alamitos High School, where he met many who already had bank accounts and even credit cards.

"I was surprised that a lot of them knew about interest rates and having a higher credit score. That was refreshing," he says.

Still, students across America have a lot to learn when it comes to saving, Roberts says. U.S. government statistics show that Americans saved just 4.4 percent of their earnings in 2011. The GFLI advises

By the numbers

Skyrocketing student loans

Even when kids learn to handle money, the cost of a college education continues to soar, resulting in severe debt.

$874 billion

Student loan debt in Q4 of 2011

compared to

$904 billion

Student loan debt in Q1 of 2012, based on consumer credit reports;

that's a

$30 billion

jump in just one business quarter

9.7%

90-day student loan deliquencies during Q3 of 2012

SOURCE: The Federal Reserve Bank of New York

students to save at least 10 percent of each paycheck.

Roberts says that his family instilled in him the values he hopes to spread through the nonprofit's work.

"My mom was a saver," Roberts says. "She didn't spend a lot and when she wanted something, she saved up and paid cash. She didn't carry high credit card balances. That's something I picked up from her."

His advice to parents who want to teach their kids strong money management skills is to start simple.

"I would tell parents to give them a budget or allowance. Have kids write up a budget for what they need to spend money on," Roberts says.

Parents and their children alike can also benefit from a fabulous free resource online, Mint.com, which helps anyone track his or her finances, he says.

The GFLI will continue to make presentations to SoCal schools and plans to share financial tips across the globe. Any educator who is interested in having a speaker can contact Roberts at **jay@gfli.org** or go to **gfli.org**.

Teaching your teen about credit

According to the advocacy group Jump$tart Coalition, one in three high school seniors uses a credit card. But how do you know if your child is ready? Can he handle a credit card?

Experts say the answer depends on the individual child. The best approach for parents is to educate your children about credit cards and money management before they can get into financial hot water. That means tackling budgeting, saving (including helping your child open his own savings account) and wise spending.

Credit cards are convenient and helpful in an emergency, and they're a means to establish a good credit score. But they also bring the temptations of impulse purchases. Spending mistakes can damage your child's credit history and make it harder

to get other loans or rent an apartment in the future.

Once your child turns 18, he can legally apply for his own credit cards. And if he is headed to college, parents can bet he will be bombarded with credit card offers, often the kinds with higher interest rates and fees. Experts suggest recommending that your children start out using the card just for emergencies or purchases that can be paid off in full at the end of each month.

Financial experts say that one of the best lessons you can teach your teen is how quickly credit card interest can pile up, dwarfing the original cost of a purchase. Using an online credit card repayment calculator, such as one created by the Federal Reserve (**federalreserve.gov/creditcardcalculator**), can effectively drive that lesson home. OCF

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