

## **Ele:Vating Urban Youth for Economic Health**

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Beaming, third-grader Donzel sings out "zhei shi shenma" in unison with his 12 classmates, repeating the Chinese interrogative "What is this?" after his teacher, Jim Flaherty. Chinese isn't actually part of the regular curriculum at Harambee Christian School, an outreach to inner-city kids in Columbus, Ohio. But the 53-year-old Flaherty always has a few extra minutes of instructional time at the beginning of class. As a former instructor of Chinese languages at Ohio State University, he gets a kick out of the kids' enjoyment of the language.

Flaherty didn't always possess the bonus minutes. Three years ago, 9:00 a.m. found him with a classroom only two-thirds full--and noisy. Sometimes stragglers didn't show up until 9:20. Though students received nightly homework assignments, 30 to 40 percent of them failed to complete them on time. Today, the kids are in their seats by 8:55 a.m., quiet, with homework turned in and ready to learn. Why the change?

In 2004, Flaherty implemented *Economis*, a token economy incentive system created as part of *Ele:Vate*, a major economic literacy initiative for lower-income youth designed and funded by a private Midwest foundation. Now kids in Flaherty's class earn credits, in a currency called "Bling," for punctuality, homework completion and classroom behavior. "We chose behaviors that were transferable to the workplace," Flaherty explains. "We want to train the kids to have the same attitude they'll need to be successful on the job when they grow up."

The incentives work: 95 percent or more of the kids now turn in homework consistently. And with far fewer disruptions in class, Flaherty estimates he's gained an average of 2.5 hours of instructional time each week. Danielle McNight's two youngest sons, Darius and Danzel, are enrolled at Harambee. "The whole Bling system--they're more on top of it than I am," the single mom chuckles. "They get a Bling for being punctual, so they're on me with 'Mom, the time is coming up and we got to be in our seats by 9:00.' So actually they're teaching me something about punctuality!"

### **Bang for the Buck: Investing in NASS**

The *Ele:Vate* project ("Economic Literacy Education: Vital Assets for Transformation and Empowerment") was motivated by the foundation's commitments to "economic justice and an engaged and educated society," says the trustee most active in designing the initiative. Economics education is at the heart of the foundation's mission: it annually grants about \$1.5 million for programs reaching youth (though its K-12 portfolio) and college students and adults (through its collegiate and think tank portfolio). "We believe access to economic knowledge is a necessity for a strong society," explains this trustee, "so we're driven to identify underserved populations that lack that knowledge." That conviction rests not only on classical economic theory but also on practical realities. For example, economic literacy positions people to avoid financial scams, manage credit responsibly, and benefit from participation in the stock market. Unfortunately, though, many Americans lack basic financial life skills. In a 2006 survey testing the financial literacy knowledge of nearly 6,000 high school seniors, the average grade was a dismal 52 percent. For many low-income kids, growing up in households where parents purchase rent-to-own furniture, use payday advance loans, and shun banks, the need for financial knowledge is even more pressing.

In 2003, the foundation "went on a quest" to locate organizations serving at-risk youth that could develop the right economics education products and distribute them effectively. "Though we have no staff, we're a highly active, not reactive, foundation," the trustee says. "We're business guys and we think like business guys. 'Strategic giving' and 'new ventures' are words that best describe the kind of philanthropy we do." After months of research, the foundation settled on the National Association of Street Schools (NASS) as the primary grantee for its new initiative. This network of 45 urban Christian schools had already won support in 2003 from the Gates Foundation for its small-school approach to saving troubled kids. "To find out that they had recently received a Gates Foundation award required us to take a serious look at NASS as a provider of innovative educational resources," recalls a trustee.

NASS leaders describe their work as providing an "educational intensive care unit" to kids who have fallen through the cracks. Seventy-five percent of the students enrolled in NASS member schools are minorities, and close to two-thirds are poor. Last year, NASS served over 2,400 youth, providing both the "three Rs" and over 765,000 hours of after-school activities and student services, such as counseling and daycare for

teen parents. Its student retention rate is an impressive 84 percent and, on average, NASS students raise their GPA by 70 percent from their previous academic experience.

At Harambee School in Columbus, 70 percent of students are low-income, and 89 percent are minority. But with its adoption of the *Ele:Vate* project, its dedicated teachers, and various curricular changes, Harambee has bested three nearby elementary schools serving the same tough demographic: its attendance rate is slightly better, its school suspensions are considerably fewer, and its standardized reading and math scores are significantly higher. Harambee's students perform better than 60 percent of schoolchildren nationwide that take the Metropolitan Achievement Test, whereas students from the Linden, Windsor, and Hamilton public schools outperform only 20 percent.

While Principal Alex Steinman cites several reasons for Harambee's strong performance, he is particularly proud of the economic literacy program: "The token economic system at our school motivates and educates our students." In addition to utilizing Economis (the online token economy), Harambee teaches basic economics to students through lessons integrated into the kindergarten through fifth grade curriculum and through a student-run business launched in the fall of 2006. "Harambee Imports" allows students to sell bookmarks and greeting cards the school purchased with foundation funds from a Thailand mission serving women and children rescued from forced prostitution.

The business really captures the attention of the students, says Wakeshia Harris, a teacher's aide for Harambee's fifth-grade class. "If they're just sitting down doing math [exercises], they're not as enthused," Harris explains. "But with Harambee Imports, they're so excited. There's a willingness to learn. So that's been a plus with their math skills."

Harris says the school business has ignited her own daughter Egypt's latent entrepreneur. The energetic fourth-grader, at Harambee since 2002, will race up to her at home and announce: "'You know, Mom, I could go get some bracelets and I could sell them.' She's always coming up with new ways to make some money!" Harris laughs. Harambee's sales force of fourth- and fifth-graders hawks their products to the 3,000 plus members of Xenos Fellowship, the main congregation supporting the school. The young entrepreneurs' goal is to raise the \$3,000 necessary to underwrite the school store.

### **How Ele:Vate Works**

Harambee is one of six NASS schools piloting the *Ele:Vate* project. In 2004 the foundation granted NASS \$250,000 to assist three elementary and three secondary schools serving at-risk youth in incorporating economics education into their curriculum in a variety of creative ways. NASS's vice president, Todd Goble, enthuses that the project "has catalyzed school spirit and teamwork, bettered student attitudes, and improved academic performance."

Each of the six pilot schools has sent lead teachers, like Flaherty, to a weeklong "Summer Teacher Economics Institute" operated by a key project partner, the Powell Center for Economic Literacy, in Richmond, Virginia. There, teachers get a crash course in what Powell calls the "keystone" economic concepts. They also work with Powell to adapt its K-12 economics curriculum, developed originally for use at the prestigious and well-heeled Collegiate School in Richmond, for use in urban, multicultural contexts. I met the *Ele:Vate* educators during their inaugural visit to Richmond in 2004, and several were wary. One could practically smell the money at the impressive Collegiate facilities, and the inner-city teachers wondered whether economics education worked there simply because the school had the resources to make it work. But all have since been converted into economics evangelists.

"We're already working to teach our teens everything we possibly can about making good choices," explains Denise Hurlburt, principal at the Denver Street School and a participant in Powell's first course for the urban educators. "And economics is about choices." Hurlburt has helped her high school teachers to integrate economic principles into lessons they're teaching, showing them how ideas like risk, scarcity, and opportunity costs are already embedded in some of the literature kids are reading or the science experiments they're conducting. "We just needed to encourage the teachers to use economic language, so the kids would hear it over and over--when they're in English class, when they're in math class, when they're in Social Studies class," says Hurlburt. "We've joked with one another, saying, we'll know we've succeeded when the kids come to us and say: 'What is this with the opportunity costs thing? Why is everybody talking about that?'"

## Hands-On Learning

The emphasis on economics has led not only to new ways of talking with students, but to many creative, hands-on learning projects as well. At Potters House elementary school in Grand Rapids, Michigan, for example, first-grade teacher Beth VanderVolk engages her kids in entrepreneurial ventures that incorporate lessons in math, language arts and science. The students have run a major plant sale for the community and conducted an art auction that raised over \$1,200 for charity. "The kids' parents have told me that their children talk with them about earning, saving, and making choices," VanderVolk reports. "These first-graders see themselves as entrepreneurs and investors/risk-takers." Now outsiders view the youngsters in a new light, too, she says. "The community is looking at them not as needy kids but as kids stepping up to risk, save, and produce."

For Barbara Saari at Chicago's Cornerstone Academy, the new emphasis on economics has led to dramatic academic improvements among her junior high class. "I've found that seventh-graders are not really enthusiastic about math," Saari says. "The economics really got the kids interested in it. On their standardized tests at the end of the year, they increased two grade levels. And that was because their interest was engaged." Saari used economically-oriented projects that helped the kids connect with real life. "Middle-schoolers are always asking, 'Why do we have to learn this?'" Saari says. "Economics answers that question."

## Lessons Learned

Foundation trustees report that the *Ele:Vate* initiative began not only with research, but also with some experimental pilot grants ranging from \$10,000 to \$75,000. These small grants went to inner-city nonprofits developing new programs--such as *Economis* and a summer work-readiness curriculum for young teens--focused on financial literacy and entrepreneurship. "We were funding individual components that ultimately became the basis for *Ele:Vate*," explains a trustee. "Ours was an incremental approach."

As the initiative began to take shape, the trustees realized that a collaborative approach would be critical to the project's ultimate success. "What's unique about *Ele:Vate* in my opinion," says one trustee, "is the collaborative grant community that is co-educating and co-stimulating and sort of 'co-accountability-raising.'" In addition to NASS and the Powell Center, the foundation brought in the Sagamore Institute for Policy Research, a think tank with expertise in building capacity among nonprofits serving the poor; Entreunty, a small, faith-based nonprofit providing training in youth entrepreneurship; and Central Ohio Youth for Christ, a mid-sized nonprofit serving 300 inner-city kids and families. Foundation trustees acknowledge that the resulting collaboration can be "exhausting" because of the sheer number of relationships to maintain. "It's a higher-risk approach," says one, "but it's worth the cost." The new partners strengthened the initiative's distribution side, enabling *Ele:Vate* components to reach large numbers of urban youth workers and educators through both school-based and after-school programs. This was critical since, as one trustee admits, the foundation had "a miserable past record" in finding good distribution channels for the economics education products in which it had invested.

## Education for Life

Fourth-grader Marshaun Edwards recently donned his best outfit and completed a formal job interview at Harambee--he wants to be a marketing writer for Harambee Imports. "I've never seen a school like this," exclaims his mother, Marcy. "They're teaching them work ethics with the Bling system. And this year with the company, they're showing them how to own their own business. Once they [graduate], they'll already know about money and taxes, and running a business. So they're going to be one step ahead of most of the population."

"The students enjoy learning about business," Principal Steinman affirms. "Most important, they will be better prepared for the real world because of the economic education they have received at Harambee." Parent Danielle McKnight agrees. She's delighted by her son Darius's rise in reading proficiency, but is also quick to talk about the "life lessons" he's picking up. "Since [Harambee] got the token economy, I'm seeing how Darius, if he gets money from the Tooth Fairy, chooses to save his money for something that he knows is coming up, rather than taking it to the store and buying chips."

Such lessons are spilling over into the parents' lives, too. Jim Flaherty explains that many of his students come from "unbanked" families, where parents lose money at paycheck-cashing services that gouge them with fees. "Their kids were coming home and talking about pay stubs and writing checks. So the moms came to me and said: 'We want financial literacy. Our children know more than we do!'" At Flaherty's encouragement, one mom of two Harambee students approached Holly Borghese at Xenos Fellowship with the request, and Borghese hosted a two-hour seminar that reached ten parents in the fall of 2006.

### **Future Plans**

Foundation trustees say they are highly pleased with the product development achieved through *Ele: Vate*'s first phase. "As for national penetration, we're not there yet," says one. "We're looking to *Ele: Vate II* for that." The foundation plans to invest over \$800,000 in 2007 and 2008 to finalize the creation of "model economic literacy schools" within NASS. Each model school will fully integrate the Powell Center's keystone economic principles into their curriculum and will operate both *Economis* and income-generating student-run businesses (partnered with local business mentors from the community).

In addition, *Ele: Vate* partners will work with host organizations in four cities--Richmond, Miami, East Palo Alto, and Indianapolis--to train over 50 faith-based urban youth-serving organizations in implementing *Economis* as part of their programs. In each city, the plan is to engage local banks, credit unions and community foundations in the economic literacy project. Already the initiative has won enthusiasm from the Richmond Federal Reserve Bank and the Virginia Bankers Association. "The Fed's mission includes helping to educate consumers of today so that they're better informed to be a part of a vibrant economy in the future," says assistant vice president Stephen Malone. He believes that Americans most enjoy the fruits of democracy when they understand basic economics. "And the best way to get those principles across to people is at a very early age," Malone stresses. "The *Ele: Vate* program is something the Fed is very committed to."