

Confessions of a Money Manager: Teaching the next generation to build wealth

Ray Unger — 6/26/2009 5:09 pm

Hats off to an organization known as Asset Builders of America, Inc.

Our good friend and colleague Bob Wynn is a founder and director of this non-profit organization, and their mission is to equip young people with the tools necessary to be successful in life. As their literature states, "Asset Builders of America Inc. contends that YOUR MOST IMPORTANT ASSET IS YOU!"

My colleague Greg Jones and I were asked to participate in one of Asset Builders' more popular programs for youngsters, ages 11 through 14, known as the Millionaires Club. It's an intensive, three-week-long affair with classes, field trips and workshops held Monday through Friday from June 15 to July 3.

The template for the program centers on the book, "Money Working For You," by Robert S. Bacarella, and published by the Monetta Educational Foundation headquartered in Wheaton, Ill.

Two very bright and energetic graduate students, Nathan Dau-Schmidt and Michaela Machicote, are the mainstays of the course, acting as backups to the guest instructors and keeping a watchful eye on the young participants. Both are working on post-graduate degrees at the University of Wisconsin-Madison: Dau-Schmidt in mathematics and economics, Machicote in international studies and Spanish.

The guest lecturers taught on subjects like bartering, how to save money, how financial institutions work, how to use Value Line's publications to research stocks, how to measure risk and return, and others.

Guest lecturers included UW football players Nick Toon and Kyle Jefferson; Susan Macielok and Diane DeGrand of Better Investing; Mary Strickland, a broker with Smith Barney; Nedra Bobo on real estate; Ron Brent on entrepreneurship; and, as I mentioned, Greg Jones and I lectured on mutual funds.

Wrapping up the program will be Richard Entenmann of Asset Builders leading a competition -- the Finance and Investment Challenge Bowl -- and the final session on July 3 will focus on a cash flow game headed by Travis Graham and Carl Jefferson of the Urban League of Greater Madison.

Were the kids fidgety and inattentive at times? Yes, but I would say the operative word about their response to this crash course on finance was "excited."

The kids are not the offspring of millionaire hedge fund managers or New York bankers. They were just kids in Madison: bright, energetic, full of questions, and quite interested in how to better their financial futures. But the excitement was the key. They were excited to learn the nuts and bolts of finance, but even more excited to realize that such a world is accessible to them if they learn the basics.

One of the things Jones and I talked about were the 30 companies that comprise the Dow Jones Industrial Average. Their eyes popped when we told them that giant companies like McDonald's and Hewlett-Packard got started in the 1950s, that Wal-Mart, Intel, and Home Depot were started in the 1960s, and that Microsoft and Cisco were started in the 1970s. They were somewhat startled when we told them that between now and when they reach adulthood, many of today's young start-up companies will grow to replace today's faltering companies and become the components of the future Dow Jones.

Again, the excitement in their eyes was palpable. Yes, they need more tools and education, but through Asset Builders of America and programs like the Millionaires Club, these everyday kids are learning that the world of investing is, indeed, open to them. They're learning that their most precious asset is themselves and that with college degrees and hard work they can create their own financial destiny.

What a thrill to see this happening.

Ray Unger is chairman of Forward Investment Advisors in Madison. He can be reached at 833-9400.

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