

Teens are learning to win in the Game of Real Life

By LOREN STEFFY Copyright 2008 Houston Chronicle

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Junior Alvarenga was making \$25,000 a year when he got to work Monday morning.

By 4 p.m., he was pulling down \$110,000. It helped that he got a master's degree in business administration along the way.

Alvarenga was one of about 300 incoming high school sophomores who spent the past three weeks in intensive financial education. They gathered at the Junior Achievement building Monday to test their skills in the Game of Real Life, in which teams of students progress through the first few years of an imaginary post-high school life.

The kids, all of whom come from low-income families, were recommended by participating high schools — KIPP Houston High School, Yes Preparatory Southeast and Southwest high schools, Spring Branch's Spring Woods High School and Aldine's Victory Early College/Carver High School.

The classes teach the basics of money and saving, then progress through setting goals, living within means, and planning for the future. In other words, students learn to build their own road out of poverty.

"In our society, you're either a giver or a taker. I think we want people who are contributors," said Lorraine Decker, the co-founder of Skills for Living, a Houston nonprofit that provides financial education and mentoring to low-income families.

(Full disclosure: In the past, Skills for Living has auctioned a lunch with me as part of a fundraiser for its adult program.)

This is the second year it's offered a program exclusively for teens. Last year's class had about 60 kids. More are planned for the fall and spring, with larger groups.

Students begin the program by writing an essay detailing what they think their life will be like in their mid-20s. Then they research the cost of that lifestyle. If they envision a large home, they look up the prices using tax records, calculate mortgage and insurance payments, and determine the maximum amount they can spend each month for housing. They use the government's average salary data to see if their chosen career will cover their expenses. If not, they have to pare back their lifestyle or choose a different line of work.

"We learn to make better decisions," Levi de Leon, another student in the program, told me during a break in Monday's game.

They also learn about federal payroll taxes, the cost of health insurance, the importance of saving for retirement, and how better grades improve chances of scholarships.

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Lariza Contreras said she's come to appreciate the difficulty of paying bills while attending college. Classmate Leyba Valdez said she now realizes that a college degree means more financial security.

Real gift is knowledge

So how do Decker and Skills for Living get high schoolers to agree to take a voluntary finance class during the summer?

Free laptops. Halliburton donated about 400 used laptops to the program this year, and students who complete the course get to keep them.

They quickly learn, though, that the real gift is knowledge — the understanding that they can change their own lives.

The classwork culminates with students interviewing for jobs in the game among the 18 volunteer companies that serve as imaginary employers.

Each company "hires" about a dozen students for their team, after interviewing about three times that many.

Be late, get fired

The game started early Monday with students on each team reporting for work at one of the company's "offices." Several who were late got fired and had to find another job. Not all the lessons are easy ones.

The students start the game at the imaginary age of 19, having just graduated from high school. They age a year every 45 minutes, ending the day at age 26.

Some immediately enter the work force, others go to college and wind up with higher salaries. Some, such as Alvarenga, go to graduate school and increase their earnings even more.

Along the way, they decide whether to buy houses, get married and make other decisions, all using the financial planning skills they've learned.

When the game ends, the teams with the highest aggregate net worth and highest net income wins. For some, there's a bonus: internships with the volunteer companies.

Xerox, for example, selected two students to intern with the company next year and will give each a scholarship totaling \$2,000 to buy their textbooks for four years of college.

All the participants win, though, because they learn that their choices matter.

"I know that something great will come in their lives — or maybe something terrible won't," Decker said.

The game isn't a game, of course. It's a battle for the future, won one mind at a time.

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