

**PFL Day at the Legislative Building
J. H. Rose High School**

Interview with Amity Kea, Liza Knight, Abbey Soffe conducted by Dalton Edwards

- Dalton If you could tell us a little about how Rose High School has address financial education through the PFL grant that you received?
- Abbey I'm Abbey Soffe and I teach *Civics & Economic* at Rose High School. J. H. Rose is a 4-A school in Greenville, NC.
- Amity I'm Amity Kea, also at Rose High School, and teach *Civic & Economics* and *US History*. We have about 1800 students and all of our tenth graders in *Civics & Economics* participated in the personal financial literacy grant.
- Liza My name is Liza Knight and I also teach at J. H. Rose High School. I teach *Civics & Economics* as well as *Government & Law*. We've all been working together on this...developing the financial literacy program that we've implemented with all of our tenth graders in *Civics & Economics* this year.
- Dalton Could you talk specifically about how your school utilized the grant?
- Liza Well, the first step of our grant... what we did was a ten-year plan. The students thought about where they would be in ten years, how many kids they would have, what job they would have, you know that kind of stuff. The next day they chose a profession that they got out of the occupational outlook handbook that had a starting salary for the job...they picked those out of a hat. They took their salary and took about 30% out for taxes and health care, which surprised them. They were shocked on that one. They got a credit score out of a hat – good, excellent, or poor. Based on that credit score they then chose the house they wanted to buy out of a real estate book, and what car they wanted to purchase.
- Abbey That's right, we went through that and I showed them what their payment would be if they got a house for \$100,000 with excellent, good, or poor credit. I showed them over time what a 30-year fixed rate mortgage at 6% would look like. I showed them that it can change based on getting a lower interest rate. They were like, "Wow, I make \$50,000 a year, but I have poor credit or even just good, and it's going to cost me so much more because of my credit score. So, right there they understood. Of course, I backed up and I explained what a credit score was, you know, the confidence that a business has in you to loan you money, and we even talked about credit cards. Even with housing, some cannot afford a house – it just wasn't possible so they found an apartment. I let them...since there're only 10 years out, so most of them would be about 25 or 26 ... I let them move in with somebody and they had to help pay the bills and help pay the mortgage. They literally wrote the check to Abbey Soffe, for example, as if I was the mortgage holder. Then we moved into the cars and, of course, in their first 10-year plan the car was a very expensive car that they thought that they could afford. They realized that, "Oh, I have to find this car." If they couldn't find the car in the categories that I made up for them they went to carmax.com or in the classifieds and they had to do their own research. I helped them with car insurance. That part was interesting because they realized that at 25 they

weren't going to be able to afford certain cars until they were 45/55.

- Liza They did their monthly budgets, they had to pay all their bills and have a budget sheet that they did with a running balance in their checking and savings account, and it had to match the balance in their checkbook. Then each month they had an unexpected expense or revenue - mostly expenses- since it's very few and far between that you'll get a check unexpectedly in the mail. And, they had to account for that in their budget and make sure that they had savings to pay for a car repair or a wedding where they had to go to a store and buy presents, clothes or whatever it might be.
- Dalton Of all that you've mentioned what do you think is the most enduring part of the program that you've developed?
- Abbey I think one of the best things that they've learned is how a credit score can affect you down the road. I think that was the piece that initially they really didn't understand and that they really got from this project since their credit scores were assigned randomly. Some students had a higher paying profession, but had a poor credit score. In their minds they said, "That doesn't make any sense I'm making good money why can't I get better interest rates and things like that. And we said, "Well, you know, regardless of how much you're making if you have a poor credit rating it's still going to affect you." And so I think that message and that point is what they really brought out well from this project. I think they understand how important it is to keep a good credit rating throughout your life. The value of an education...I agree. The credit score is probably the biggest thing. I heard a student the other day...she didn't know I was listening, but I heard a student say to another student, "Now I know why I need to try my hardest to go to college because if I don't I may end up making this amount of money for the rest of my life, and I can't have what I want. I can't have a family with three children because I can't afford the daycare." Because they see how much the daycare is.
- Liza Yes, they were shocked by the cost of bills.
- Abbey I think that was the light bulb. I was like, "Yes, that's what I want to hear." They understand that even with an associates degree how much easier their lives will be, possibly, if they make all the right decisions.
- Liza If they don't make decisions before finding out the consequences...
- Amity Yes, like getting credit cards. Some of them would get credit cards before we had someone come in and talk to them about that subject and how that could affect their credit. So, they signed up for credit cards and then they would have to pay. Then they realized that, "Oh man, I can't pay these bills."
- Dalton How important do you feel financial education is to students?
- Amity I think it's extremely important because not only are you teaching financial responsibility, hopefully for the future, but a lot of the things, as far as how does government affect this... you can bring in your own lifestyle, and relationships with parents. A lot of students said, "You know my mom or my dad was telling me how things are really tight, and I

complained a lot about that. I feel really bad because now I realize that money really can be tight, and I don't know how I would afford this in the future." So, I think you can bring more than this is all we have to teach about, which was, I think, really good for me when we started to teach the five ways of financial literacy. You know, I felt like I was just going through the motions of teaching it. Now, with this project, I'm teaching it, but at another whole level

- Abbey They learned to make decisions on cell phones or groceries. Which is more important? To a teenager like..., "Cell phone and texting." And now they're like., "Feeding my family. I can have a landline...I don't need a cell phone." I think it's relevant to. I mean they can't turn on the news without seeing something, so its so easy to help them see all of this that's going on right now that our country and our country's government is struggling with. It's all stuff that starts at a very basic level with individuals, businesses, and so on being financially accountable. So, it's easy for them to see the relevance of it.
- Dalton Could you talk a little about how you've benefited from being here at the General Assembly? How do you feel like this day has benefited what you've done?
- Liza First off, seeing the other projects that the other schools have done, actually about using some of what the other schools have done, and how we could change our project to improve it...
- Amity And then benefit from networking, you know meeting other schools and organizations. We had a conversation with the NC Bar Association about how we could incorporate some of their bankruptcy legal programs in with what we're doing and making some good connections. And then showing what we're doing. We even had one of our local representatives stop by and she was asking us about the financial literacy. It was good to have a local representative care enough to stop by and ask how we were doing in the classroom. I think it's important to have a relationship between the legislators and classroom teachers.
- Abbey I feel a little more connected with my state and local government now. You know, you teach these are the three levels of government and this is how they work together, but as a classroom teacher sometimes I feel disconnected.
- Dalton Thank you so much with the work that you've done with the grant, and thank you for the interview.