



Today's News

July 15, 2008 01:34 PM Eastern Daylight Time

CFALA Announces Economic Advice Available from Winners of 2008 Capital Markets Contest

LOS ANGELES--([BUSINESS WIRE](#))--In these daunting economic times, as Federal Reserve Board Chairman Ben Bernanke and Washington policymakers struggle with how to best manage our ailing economy, perhaps we could turn to Emma Ogiemwanye, a 17-year-old student at the California Academy of Math and Science in Carson, suggests the CFA Society of Los Angeles.

"My biggest piece of advice to Bernanke is to pause the Federal funds rate at 2% and just ride it out and see how what the Fed has already done affects the economy," said Ogiemwanye. "If we see an increase in inflationary pressures, raise the rate 25 basis points."

Ogiemwanye and four of her classmates, Jamal Saleh, Nik Matalero, Dora Duru and Daniel Hwang, recently bested more than 1,100 students from 22 other high schools to take top overall honors in the 2008 Capital Markets Contest, a tough competition that required stock trading skills and mastery of economic principles. The contest finale included a presentation analyzing the current economic climate and providing advice for Bernanke and the Fed on how to deal with it. The students and their teacher, Greg Fisher, won \$500 each and a free trip to New York City, where they visited two icons of American capitalism – the New York Stock Exchange and Federal Reserve Bank of New York.

Reaching students early enough to impart financial literacy is a major goal of the Capital Markets Contest, which is sponsored by the CFA (Chartered Financial Analyst) Society of Los Angeles in conjunction with the California Council on Economic Education (CCEE). Similar to academic decathlons, the Capital Markets Contest also seeks to combat high school dropout rates, which run as high as 50% in downtown Los Angeles for African American and Hispanic students. A 99% Hispanic, inner-city school – Roosevelt High – produced this year's top stock traders, whose picks boosted a simulated \$100,000 portfolio to \$130,034.42 over a 10-week period.

"Apple was a big winner for us, and American Steel," said Carlos Ibarra, 18, who captained the Roosevelt team. "The stock market isn't usually something that's presented to us. All of a sudden your eyes are opened to maybe I should become a stockbroker or something."

Ibarra's teacher, Javier Cid, believes that exposing students to investing can have a very positive impact on their later lives.

"We're in a low-income neighborhood and a lot of our families are not into investing," he said. "This is a different world to my students, but because they are young and more open, they jumped right in and did it. I saw them much more motivated, not just in the stock market but in everything else that we learned."

"Our society faces a tragic loss of human capital because in downtown LA, approximately 50% of all African American and Hispanic students don't graduate from high school and statewide it's 30%," said Jim Charkins, Executive Director of the CCEE.

"Our overall objective is to help prepare students for successful participation in the economy and there's no question that it's needed. Even when they do graduate, many don't understand money. The biggest reason students drop out of college in the first year is credit card abuse –

they run up big balances and have to quit and go back to work.”

Berkeley Harrison, president of the CFA Society of Los Angeles and a judge at this year’s finals, notes the contest also teaches ethics. CFALA, whose members also mentor student teams, is a network of investment management professionals working to disseminate useful financial information and increase awareness of the Chartered Financial Analyst (CFA®) designation, which is intended to lead the investment profession by setting the highest standards of ethics, education, and professional excellence.

“It’s quite likely that some of tomorrow’s business leaders are among the contestants and we want them to understand that a commitment to ethical behavior is an integral part of being a leader,” Harrison said. “Getting that across is especially important today because students know that there’s been a lack of ethical behavior on the part of some members of the business community.”

The Capital Markets Contest, now in its fifth year, has won praise at the highest levels of education.

“I’m pleased that our students are learning about the capital markets in such an innovative and exciting way,” said California State Superintendent of Public Instruction Jack O’Connell. “Students and teachers who participated in this program are to be congratulated.”

While there’s no official word from our central bankers on whether they’re heeding the students’ advice, the Federal Open Market Committee did keep the Fed Funds rate steady at 2% at their most recent meeting. Probably just a coincidence. What is certain is that more than 1,100 high school students know more about the American economy and how to manage money than they did a few months ago.

Editors: Contest officials and participating students are available for interviews.

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