

Money Matter

What Teaching Middle Schoolers Taught Me About Financial Literacy

By Joe Sharp



I have spent much of my career working with budgets, financial statements, compensation, insurance, investments, and organizational finances. Then, for a time, I taught personal finance to middle schoolers. The elective was called Money Talks, and I went into it assuming that my professional background would make the subject matter fairly straightforward.

It did.

But teaching it reinforced something I had understood professionally without ever quite articulating it this way: financial literacy is not primarily about knowing financial terminology. It is about learning how to make decisions.

Knowing the Words Isn't Enough

We covered many of the concepts you would expect: income, expenses, savings, investing, insurance, housing,

needs vs. wants, and gross income vs. net income. But knowing what those terms mean does not make someone financially literate. The real challenge begins when you have to use them.

One of the exercises we used was SPENT, an online simulation that asks participants to make a series of choices while trying to survive on limited resources: housing, transportation, medical expenses, unexpected costs, and bills that cannot all be paid at once. The value of the exercise was not that it taught students the definition of a budget. It forced them to confront tradeoffs. Someone can know perfectly well what a budget is and still have no idea how to make one work when every available choice has a consequence.

Start With the Life

One idea I wanted the students to understand was that a salary number,

by itself, does not tell you very much. It is easy to hear a number and think, “That sounds like a lot of money.” But what does that income actually support? What is left after taxes and deductions? What will housing cost? Transportation? Food? Insurance? Savings? A family? Unexpected expenses?

The more useful question is not simply: how much do I want to earn? It is: what kind of life am I expecting that income to support? Then you work backward. That is a useful exercise at 13 or 14. It is also a useful exercise at 30, 40, or 60.

Decisions Have Consequences

We also ran a stock market competition. The students selected companies, tracked their performance, and competed based on the percentage increase in their investments. I added actual prizes, which naturally made the exercise more interesting. But the point was not really

to teach them how to pick stocks. It was to get them to explain their thinking: why did you choose that company? What did you expect to happen? What assumptions were you making? What changed?

That became particularly interesting in the spring of 2020, when COVID suddenly changed daily life. Some of the companies the students chose during that period included Tesla, Apple, Nike, Nintendo, Peloton, Zoom, UPS, FedEx, Kimberly-Clark, Procter & Gamble, Amazon, Microsoft, and others.

In hindsight, the choices were telling. Without necessarily realizing it, the students were building mini-portfolios around the world they were suddenly living in: remote work, shipping, home fitness, household essentials, and digital connection. What made sense before might no longer make sense now. That is an investing lesson. It is also a much broader lesson about decision-making.

More Money, Better Decisions?

We also looked at examples of professional athletes who had earned extraordinary sums of money and later experienced serious financial problems. Those stories challenged a very natural assumption: if you make enough money, financial problems disappear. They do not.

More income provides more options. It does not automatically provide judgment, discipline, or perspective. There is a meaningful difference between having financial resources and knowing how to manage them. That may be one of the most important lessons in personal finance.

Students Bring Their Own Assumptions

The experience also reinforced for me that students do not enter a financial literacy class as blank slates. They already have ideas about money. They hear conversations at home. They see advertising. They follow athletes, businesses, and entrepreneurs. They observe the lifestyles around them. Some of the students were already remarkably entrepreneurial.

The goal, then, was not simply to give them more information. It was to help them examine the assumptions they already carried: why do you think that? What would have to be true for that to

me outside my normal professional environment. The course did not continue afterward, but I have thought about it many times since. The feedback I received from parents was encouraging,

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work? What are you leaving out? What happens if your assumption is wrong? Those are financial questions. They are also management questions and leadership questions.

The second time I taught the elective, enrollment grew, largely through word of mouth. Then, in March 2020, everything changed. Like educators everywhere, we moved online, and I finished the class on Zoom.

It was an unusual way to conclude an experience that had already pushed

and the students seemed to connect with the practical nature of the material. What stayed with me most, though, was the underlying lesson.

Financial Literacy is Decision Literacy

There are frequent calls for schools to teach more personal finance. I support that. But the goal should be bigger than teaching students how a credit card works or asking them to memorize the difference between a stock and a bond.

Financial literacy ultimately means being able to look at limited resources, competing priorities, uncertain information, and future consequences and make a thoughtful choice. It means understanding tradeoffs, questioning assumptions, thinking beyond the immediate transaction, recognizing that more resources do not eliminate the need for judgment, and being willing to change course when circumstances change.

Those are personal finance skills. They are also many of the same skills I have relied on throughout my career as a CFO and COO. I went into that classroom thinking I was going to teach students about money. What it reinforced for me was something more fundamental: the numbers matter. But the real skill is learning how to decide. ▲

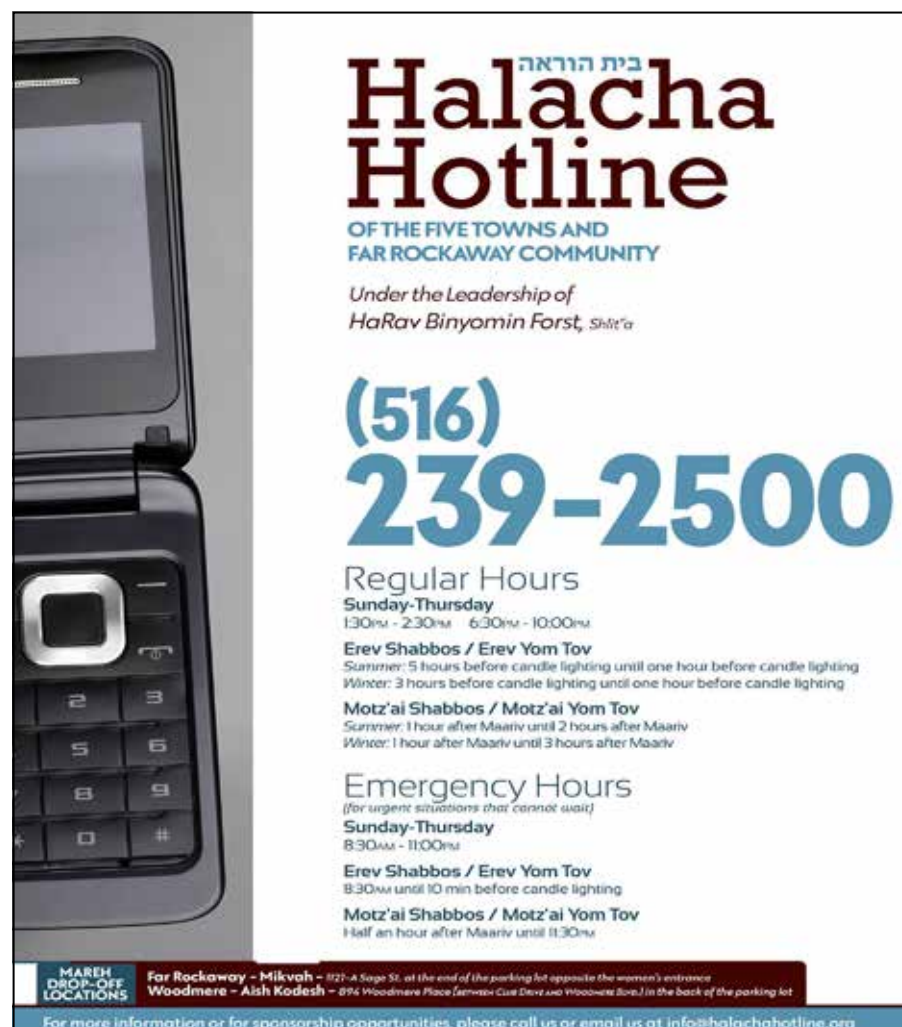
Joe Sharp is a strategic finance and operations leader with more than 30 years of experience in independent schools, nonprofits, and businesses. He is the founder of Sharp Focus Consulting and writes about leadership, finance, and operations. He lives in Boca Raton, Florida.



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