

**MEMO# 5084**

August 20, 1993

## **VIDEOSCRIPT TESTING RESULTS; DEVELOPMENTS AT SIFEE**

August 20, 1993 TO: ICI EDUCATION FOUNDATION BOARD NO. 11-93 RE: VIDEOSCRIPT TESTING RESULTS; DEVELOPMENTS AT SIFEE

Student Focus Group Testing and Teacher Evaluations of Our Videoscript. We have completed student focus groups on our videoscript, animation treatment, and audio test. These included a group of Midwest vocational school students, inner-city Boston students, Midwest suburban school students, and San Francisco area high-school graduates bound for Ivy League universities. We've also received written evaluations from two dozen high-school teacher members of the nationwide Center for Teaching Resources and several Stock Market Game™ coordinators. Changes made in the video (live action was filmed last week) as a result of this research include: \* exchanging some higher-cost for low-cost graduation gifts, \* removing the "rich kid" stereotypes, \* making the lead teenager more questioning of the information she is given by the animated prospectus, \* making the lead teenager smarter (she catches on to the bad puns and outpuns the prospectus), and \* deleting the depiction of three companies in the mutual fund's portfolio. Animation has begun and will continue over the next month.

SIFEE Board Meeting. The Board of Trustees of the Securities Industry Foundation for Economic Education (SIFEE) met on August 5, 1993. I attended, substituting for Matt Fink, and briefed the Board on our progress (copies of our videoscript were included in their materials). We have been asked to preview our forthcoming video at the SIFEE Program Committee meeting on Nov. 3, 1993 and the SIFEE Board meeting on Nov. 4. A few developments at SIFEE may be of interest to you: 1. Outside consultants attended the Board meeting to present the results of their evaluation of the Stock Market Game™ based on visits to 13 schools. Although qualitative (some 15,000 schools play the game), this research confirms some of our own findings. Overall, the game gets very high marks from teachers and students alike. Teacher concerns about the game include its competitive orientation, its emphasis on short-term speculation, its exclusive focus on stock investing, and the lack of adequate teacher training and supplementary materials. Some teachers who do not use the game cite one or more of these reasons. According to the evaluation report, "a number of teachers and students" suggested the game be expanded to incorporate other investments, including mutual funds. As a result of their exposure to the game, some students were the first in their families with knowledge of and experience with the stock market. For many students, playing the game "changed the way they think about their careers" (regardless of career, knowledge of investing would be an important aspect of their own success) and "changed the way they think about their personal finances." The consultants found that, "almost unanimously, the students interviewed expressed that they would invest their own funds much more conservatively than they did in the game." Some students have already begun to invest and most say they are no longer intimidated by the

business pages of the newspaper. 2. Fidelity has agreed to develop and produce a 12-minute video, at a cost in excess of \$100,000, that will relate the Stock Market Game™ to economic theory. The video will feature Peter Lynch talking to kids at a mall about the investment potential of various products and services at the mall. Lynch has agreed to donate three days of his time for this purpose. Fidelity will retain the rights to the video and SIFEE will distribute through its network of Stock Market Game™ coordinators. There will be no mention of Fidelity except a credit(e.g., "sponsored by Fidelity") at the end. The video will be completed by the end of the year and SIFEE hopes to show it at the SIA Board meeting in Boca Raton. Fidelity has indicated they will consider producing other educational videos for SIFEE distribution. 3. The SIFEE Board previewed a 25-minute video funded with a \$50,000 grant from the Massachusetts state securities office. The grant was derived from fines levied in Massachusetts for securities law violations, which apparently must be spent for educational purposes. The first half of the video showed how high-school teachers use the Stock Market Game™; the second half showed how students play it. The video opens and closes with a clip from the state securities commissioner emphasizing the importance of economic literacy. SIFEE plans to use the video for promoting the game nationwide and for fundraising among other state securities offices, individually and through NASAA. The idea is to replace the footage of the Massachusetts commissioner with other state commissioners in exchange for funding. In addition, SIFEE/SIA may be able to get some political mileage from the video by using it in grass- roots lobbying efforts to generate goodwill among legislators who have positioned themselves as "education" candidates. 4. SIA's Board has made "building public trust and confidence" its top priority, ranking it higher than any legislative or regulatory goal. This reordering of priorities may present additional funding and program opportunities for economic education. Please call me at 202/955-3538 with any questions or comments.