

Community Investments Vol. 10, Issue 2 The Case against Economic Development for Women

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I'll get hate mail for that title. I exaggerate to make a point. But economic education and development for adult women in our society is remedial. Economic education for girls on the other hand, is an investment, a sure-fire way to build economically strong communities.

The challenges women business-owners describe, and, by extension, the economic vulnerability women experience, could be ameliorated or prevented altogether if girls were commonly provided with the basic elements of economic literacy. As it is, many women play a perpetual game of economic catch-up, without the fundamental educational tools needed to make that task a success. This means that in the early "apprentice years" of economic development, girls are not practicing the skills or learning the information they'll need in their middle and late years. By the time they are ready to focus on the business principles they need to know, they have matured to middle-aged women. Unprepared as they approach the most economically demanding years of their lives, these women must scramble to educate themselves on the basics of economic development.

Society's messages to girls start early, during those critical apprentice years. We say to girls who baby-sit to earn money, "You're so reliable, trustworthy, good with children.." We don't often tell them we think they are resourceful, savvy or entrepreneurial. We don't often tell them that baby-sitters are

actually self-employed entrepreneurs. But, if their brother is hustling to earn money mowing lawns or washing cars, he is likely to hear that he has the potential to be a great businessman!

Independent Means Inc.

With this social reality in mind, Independent Means Inc. (IMI) was established in 1992 to provide programs and products for girls' financial independence. IMI works with the poor and the privileged. You see, economic illiteracy is the great leveler of race and class. Some of our most sobering product tests and focus groups are with teen girls who spend their days in America's finest schools. These young women, even as they prepare for advanced education and professional jobs, remain oblivious to the staggering economic issues and responsibilities they will face during their life spans. And, although their sisters in inner-cities may be more acutely aware of how "at risk" they are, they seldom have the resources to alleviate that risk.

In IMI programs, girls learn the importance of $P(I+i)^n$; they practice writing business plans and explore their entrepreneurial spirit. We introduce them to the cost of debt, the impact of equity, and mechanisms for saving-all presented in an interesting and relevant format. Because we respect their values and ways of learning, IMI has found that these girls tune in instead of tuning out.

Four Ways To Build The Economic IQ Of The Next Generation:

Warning: The ideas presented below are all expensive, time-consuming and require an attitude of change. The author takes no responsibility for heightened blood pressure.

1. Make Play of $P(I+I)^n$

Flash this formula in front of most adults (who do not work in banks) and an attack of math anxiety will strike. But start teaching compound interest like

a Nancy Drew mystery, and you'll have a new generation of savvy banking citizens who can negotiate interest rates in an educated manner. Until we make compound interest as colorful as the next shade of nail polish, we will continue to leave girls (and a lot of boys) without the key to making money. Irene the Investment Queen™ is one character IMI uses to develop financial concepts in a more entertaining fashion. If you are involved in financial services education, IMI encourages you to commit the time and resources to develop creative, relevant ways to grab the attention of your next generation of customers.

2. Invest in an understanding of economic life stages.

One evening, I listened as brothers Shariq and Zaheen Khan, ages 10 and 12, put basketball trading cards in notebooks and talked about how much each was worth. "Here's one worth \$300," Zaheen said. "I got this \$30 card in a \$2 pack," the younger Shariq replied. As they talked, they referred to a publication that resembled a comic book. It was a monthly newsletter called Becket's which lists trading cards and their corresponding worth. Like many girls and women, I had never heard of Becket's, but it suddenly seemed a lot like The Wall Street Journal of the trading-card world to me.

The boys continued to talk about their profits buying and selling the cards. "How did you learn this?" I finally asked. "Learn what?" they responded. "How to trade, how much the cards are worth, what to charge for the cards you sell, what to pay for the cards you buy?" I said. Shariq, the youngest, answered, "I don't know . . . I've just always known." For many boys, profit is just another word for play. They have an informal economy that is part of their games and social life; therefore, they move quite naturally through their economic life stages.

"How many girls trade with you at school?" I asked. They thought a minute, "Mmm . . . maybe one or two. Some of them collect the cards, but they

don't trade them." In other words, while boys are practicing the skills they will need to be economically self-sufficient, girls are otherwise engaged.

3. Take girls seriously.

In 1995, 17 year-old Hilda Gonzalez was one of five teens who won the National Business Plan Competition for Teen Women. Accepting her award, she stood at the podium, looked out at the audience of 400 business owners and said, "This is the first time my father has ever taken me seriously." The audience, all women, was instantly silent. Young Hilda had struck a deep and powerful chord.

The number one obstacle listed by women in business is "being taken seriously" by vendors, lenders, clients and press. This is not the result of their vivid imagination. Consider this statistic: although 40% of all businesses are owned by women today, they have access to only 1.6% of all the venture capital distributed annually. This is a powerful, if not discouraging, message. Today, Hilda and her Dad are building a business together. But what about the girls who do not get the push and the opportunity that Hilda had? What are you doing in your communities to make sure that girls-half your future market-are taken seriously?

4. Give up the red herring.

I can hear it now. Someone is getting ready to annoy me with that tired old question: "What about the boys?" That's a dodge. It won't get at the challenge of making more girls and women economically literate and self-sufficient. Boys need economic education too. This is not an either/or situation, but girls must be better integrated into the economic equation. The question is how we accelerate girls' economic education in the face of welfare reform, diminished safety nets, high divorce rates and teen motherhood. At least part of the answer includes:

- Investing in new methods and designs for teaching economic education;
- Emphasizing and understanding economic life stages; and,
- Implementing policies, programs, and campaigns to help girls and the people around them take them seriously.

These are all expensive and time-consuming propositions. Nevertheless, they aren't nearly as expensive as continuing to pump money into women's economic development programs, which perpetuate an endless game of economic catch-up. These recommendations aren't nearly as expensive as maintaining unstable communities riddled with high unemployment, low investment, and citizens ill-equipped to deal with their financial responsibilities.

If we, as citizens and business people, are going to create vibrant, economically stable communities, we must begin economic education earlier. In particular with the girls, both poor and privileged, who will bear financial responsibility at an early age, and will share in the economic stability of their families well into their senior years.

Economic Life Stages

Apprentice Years	Peak Performance	Prime Time
Young Women	Mid-Years	55 & Over
Theme: Control of one's destiny	Themes: Responsibility & Achievement	Themes: Withdrawal from paid work
<p data-bbox="186 583 602 730">Focus: Acquiring essential life skills for economic security by:</p> <ul data-bbox="235 800 560 1417" style="list-style-type: none"> • Accepting responsibility for oneself • Acquiring self knowledge • Making decisions • Goal setting • Budgeting • Saving/investing • Managing time & change • Taking chances 	<p data-bbox="630 583 1019 730">Focus: Providing for both the present and future by:</p> <ul data-bbox="678 800 1019 1890" style="list-style-type: none"> • Earning income • Understanding financial implications of life decisions (marriage, motherhood, etc.) • Acquiring continued education/training • Investing in insurance as appropriate • Assessing risks before making financial commitments • Making informed choices about investment, pensions, 	<p data-bbox="1047 583 1430 674">Focus: Maximizing resources by:</p> <ul data-bbox="1096 743 1430 1417" style="list-style-type: none"> • Turning skills into part time or freelance work • Converting assets into income • Benefiting from tax contribution or pension income • Exercising life skills while guarding health and energy

	property, etc.	
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Independent Means Inc. offers:

- Training programs & consultations for educators, business leaders, and parents.
- School-to-work programming.
- Summer and after school programs (such as Camp \$tart-Up, Conferences and the National Business Plan Competition).
- TurnedOn Business, a business newsletter for teen women.
- Innovative products (BizWiz Cards, Board Games, books, and kits).

For more information, call (805) 646-1215, visit our web site at (www.anincomeofherown.com) or write us at Independent Means Inc., P.O. 987, Santa Barbara, California 93102.

Camp \$tart-Up

Your teen's "How I Spent My Summer" essay upon return to school this fall will no longer be standard fare if your teenaged daughter spent the summer at Camp \$tart-Up. Her essay might begin, "This summer I learned how to start and run my own business!"

Camp \$tart-Up is an entrepreneurial summer program for teenaged girls which offers the opportunity to acquire business-ownership skills, and interact with successful women entrepreneurs from across the country. It's a fun, hands-on program in which the girls learn business and leadership strategies and real life, marketable skills they can use down the road to create their own opportunities in the marketplace.

Produced by An Income Of Her Own, the business camp is held in July on both the East and West Coasts in college preparatory schools. Summer `98 programs will be held in Wellesley, Massachusetts and Danville, California.

For an application, tuition costs, or further information about the program, contact Barbara Dowd at (508) 463-0259 or AIOHO at (800) 350-2978.

About the Author

Joline Godfrey is the CEO of Independent Means Inc., the country's leading provider of products and services for girls' financial independence. She founded An Income of Her Own and authored two books on economic development for women and girls: *Our Wildest Dreams: Women Entrepreneurs Making Money, Doing Good, and Having Fun* and *No More Frogs to Kiss: 99 Ways to Give Economic Power to Girls*. Ms. Godfrey received an MSW from Boston University and an Honorary Doctorate in Business from Bentley College. She will be honored in June with the L.A. Women's Foundation "Mentor of the Year" Award, in recognition of her work with girls nationwide.