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From left, Larry Hagen, social studies supervisor and Mounts Fund adviser at Ephrata High School; Sydney Hornberger, Ephrata High School junior; and Kody Brown, Ephrata High School senior, look over their investments on a computer in the school on Nov. 3.

INVESTING IN EDUCATION

Students in Mounts Fund using actual money for their stock market investments

CAROLE DECK

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Stock market simulations are a common school project in high schools across the country.

In these projects, students are assigned a certain amount of money, choose stocks to “invest” in, and follow the market to see what their returns would be had they actually bought shares.

A new club at Ephrata High School, however, ups the ante. The Mounts Fund, an extracurricular club, put \$30,000 on the line in a series of investments. Larry Hagen, the group’s adviser, says he doesn’t know of any other high schools using real money in stock market projects.

And the group has already made a return: in its first year, the club’s investments — mostly conservative — saw 3.2% growth, expanding the pot to \$30,960.90. Funds rolled over to this year’s club, who have the option of selling and purchasing different stocks as they see fit.

The initial \$30,000 seed money was provided by the Ephrata Area Education Foundation. Hagen, who teaches honors and advanced placement economics classes, reached out to the Ephrata Area Education Foundation, which granted his request for club funding.

Mark Thompson, foundation board member and treasurer, said the request met the foundation’s mission to provide financial support for educational programs that

are innovative, unique and provide opportunities for students not covered by the district.

The board, he says, was extremely pleased with the first-year results. But, says Thompson, with Hagen’s guidance it was not a surprise the students are learning how to be good stewards of money.

Investment inspiration

The idea for the club originated after Hagen’s visit to his son, Jory, at Messiah University in Mechanicsburg, where he learned about a student-run investment group.

His goal for the club is to teach students in real time how the market works. This includes how to research and evaluate stocks; present ideas to invest; and work together in teams to make sound financial decisions.

“Students learn about the stock market in class, but the club teaches them how to invest real money in real companies,” Hagen says.

The club kicked off during the fall of 2019. As the school was shut down in March 2020 due to COVID-19, the club was put on hold until restarting in the 2020-21 school year. Investment purchases officially began in 2021.

In order to vote for company stocks to invest in, students must pass a certification exam that includes coursework featuring videos and passing quizzes attached

to them. Only members who complete the coursework are eligible to be board members. Those who don’t do the coursework can’t vote but can become junior analysts to research stocks. The student board of directors manages the club. This year’s board of director officers consist of Chairman Kody Brown (senior), Vice Chairman Owen Loose (senior); board Secretary Tanner Eshleman (senior); and Promotion Officer Sydney Hornberger (junior).

Real money, real risk

Kai Mast, the club’s first board chairman (2020-21), had high praise for what he learned about invaluable investment strategy through the club. He was excited to actively be investing in the market.

“Using real money provides a different perspective with a sense of risk you take seriously,” Mast says.

Mast, who graduated this year and is a freshman at Penn State University majoring in accounting, says serving as chairman also helped him improve his public speaking skills.

For second-year member Brown, the passionate debates among teams representing the club’s portfolio of 11 companies it owns shares offers a real-life lesson in market investment.

Vanguard Social Responsibility

Fund holds the club’s portfolio of companies, he says, like CVS, Walt Disney, JP Morgan and Waste Management.

Currently there are 35 club members. All are in teams to represent the different market sectors such as industrial, health care, utilities, energy. They research, evaluate and present their recommendations to the student board who vote on shares to purchase. Final approval for purchases is given by Hagen and the Ephrata Area Education Foundation.

“I wanted to learn the what, where and how of investing,” Hornberger says. She’s pleased to see other female students in the club also interested in investing. As promotions officer, one of her goals is to establish a slide show presented on monitors throughout the campus so all Ephrata High School students can track the club’s portfolio.

She says she learned a lot while earning the certification to be able to vote on stocks. The certification process requires students to watch 29 videos at their own pace, which total to about 10 to 15 hours.

Hagen points out that the investment club is an extracurricular activity and students work on it during their free time.

“While we’re very happy with our results in line with major indexes, the real goal of the club is to provide educational experiences to our students,” Hagen says.