



# Innovative Finance Inclusion

## FGI - First Generation Investors

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**Date: (03/2022)**

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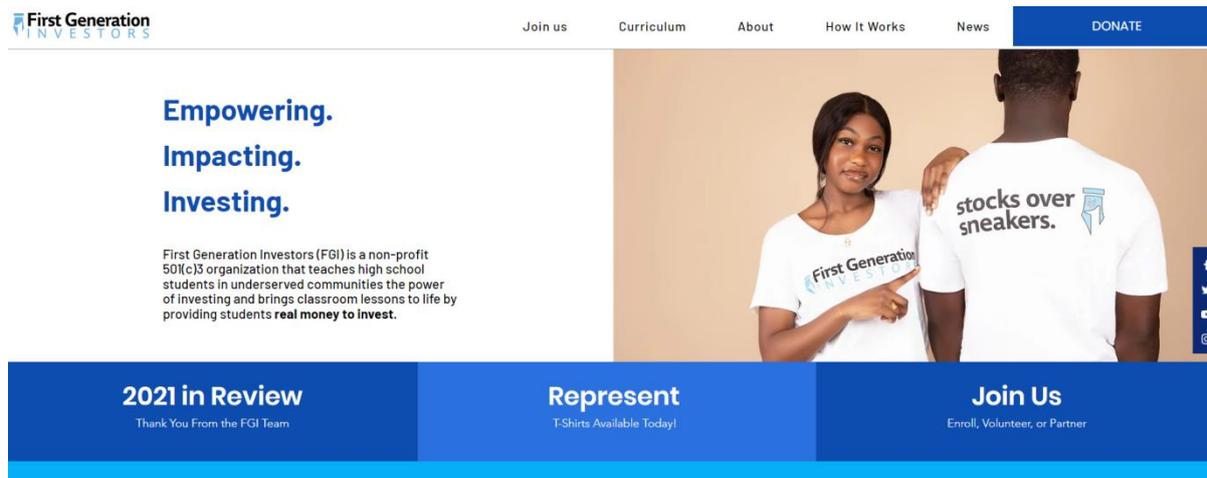


## Abstract

FGI is an American Nonprofit that teaches underprivileged high school students how to invest real money - hence contributing to their financial education and inclusion, while also empowering them on a social and educational level. FGI uses real money to introduce high school teens to investing in the stock market. For the first time in their life, participants learn about saving and investing, hence giving them a chance to accumulate wealth over time. Learning is done by investing real money, and by using learning materials and examples that are relevant and close to the teenagers' lives. The instructors are all volunteer college students, and the minimal age differences between the students and their instructors is a valuable aspect contributing to the program's success.

## Keywords

NGO, Financial Literacy, Financial Wellness, Investing, Youth, Public Education





# 1 The Organization

## 1.1 Background

FGI - First Generation Investors - is an American Nonprofit NGO: a 501(c)(3) charitable organization, which relies entirely on donations. FGI focus on advancing financial literacy and financial wellness among high school students, mainly from underprivileged neighborhoods.

## 1.2 Activity

FGI was established in 2018. Three American college students launched the organization, and to this day, all FGI instructors are university student volunteers. FGI uses real money to introduce high school teens from economically disadvantaged backgrounds to investing in the stock market. FGI provides students with \$100 in \$20 increments over the last five weeks of the program. The money is held by FGI in a custodial account and the teenagers are given a menu of mutual funds and ETFs in which to invest in. Once the participating high-school pupils complete the course and graduate high school, they assume full ownership of their investing account.

## 1.3 Goals

The initiative is called 'First Generation Investors' because none of these teenagers' parents have had the chance to learn what their children are learning. Obtaining skills to invest in stocks allows the participants to reduce income inequality, enhance their financial literacy, and improve their financial wellness. For the first time in their life, participants learn about saving and investing, hence giving them a chance to start accumulate wealth over time. Learning is done by investing real money, and by using learning materials and examples that are relevant and close to the teenagers' lives. One of the program slogans is 'stocks over sneakers' - portraying the benefit of investing, over spending money on durable goods.



## 2 Specific Area of Interest

### 2.1 Teenagers as the Target Audience

So far, over 500 high-school teenagers aged 16-18 have successfully completed the program - and also completed high school – at which point they come into control of the investment account set up for them by FGI . About 87% of the program's graduates are member of minority groups (55% Black, 22% Hispanic, and 10% Asian). Alongside learning the technical aspects of investing, and gaining the habit of saving and investing, participants also learn about concepts such as risk, change, long-term planning, compound investing, business news updates, and more. Undoubtedly, these fields of knowledge can help them succeed in additional life-aspects, apart from investing.

### 2.2 The Age Difference

Alongside the excitement created due to the learning being done in 'real time, with real money', the participants make benefit from the fact their instructors are university or collage students, only a few years older than they are. Program participants claim that learning is more effective when instructors are in the same age groups, and friendships are made. For many of the high-school participants, which come from impoverished areas, this is a unique opportunity to be exposed to college students, and get motivated to continue their education beyond high school.

### 2.3 Activity Scope & Uniqueness

The initiative's success is expressed in the program's growth, from one first chapter in 2018, to over 37 active chapters (within US schools) in 2021 - with 30 more locations planned to open until Q2 2022 in a 'franchise' (chapter) model. Today, the initiative's board of advisors includes prominent figures in the fields of business, politics, and financial literacy. Above all, what FGI is most proud of, is the growing number of program graduates, which continue to higher education paths. The initiative is still rather new & limited in scope, but it stands out in its vision and creativity, with its model centered on the 'teens teaching teens' concept, as well as the 'on-hands learning' approach, via actual investing of real money.



### 3 References

FGI initiative has received national exposure in the USA following a news report featured on Yahoo! Finance during August 2021. Previously, FGI raised over 100,000\$ via a crowd-funding platform. Overall exposure has led a Wall-Street asset management firm to fund parts of the NGO's activity, and a few other business sponsors and partners have followed, enabling FGI to successfully expand its operations in late 2021 and early 2022.

#### Web site and Social media links -

<https://www.firstgenerationinvestors.com/>

<https://www.firstgenerationinvestors.com/post/year-in-review-2021>

<https://www.instagram.com/firstgeninvestors/>

<https://www.facebook.com/firstgeninvestors>

<https://twitter.com/fginvestors>

<https://www.linkedin.com/company/firstgenerationinvestors/>

#### Additional information sources:

<https://news.yahoo.com/stocks-over-sneakers-nonprofit-teaches-high-school-students-how-to-invest-real-money-114526770.html>

