

Next-Generation



EXCHANGE CITY PHOTOS

Exchange City New England teaches kids the ABCs of Economics.

BY APRIL TERRERI

The perception used to be that business and kids just didn't mix well. The only exposure kids had to the realities of the business world were several-times removed money-making endeavors, such as babysitting or lawn-mowing jobs.

Today all of that is changing fast — kids are actively discussing profit-and-loss statements over passively manipulating Sonic the Hedgehog. This change can be credited to Exchange City USA, a program where kids are learning to understand, and deal with, business and economics in preparation for the world awaiting them beyond graduation.

Exchange City USA, with 27 licensed sites nationwide, is the largest experiential economics education program in the world. The program selected Portsmouth as the site for its first New England location, which organizers expect will eventually attract 15,000 students annually from throughout the region.

LEARNING AND EARNING

You will find 11- and 12-year-old students developing their resumes with the

hope of winning the job of their choice at Exchange City New England. They will work in business teams, create viable business plans and produce, price and market real products and services, says Philip Ross, executive director of Exchange City New England, which he hopes will begin operating this spring.

"They will do everything adults do everyday in the business world, including calculating payroll expenses, planning advertising, making materials purchases and operating their own personal and business banking accounts," he continues. "They will also be responsible for making payrolls, paying their business utilities, rents and taxes — and they will take out and try to repay their business bank loans. Exchange City helps kids better understand the value of money, when they can see first-hand the connection between learning and earning."

A 10,000 square-foot building in Portsmouth is undergoing a \$1 million transformation to house the project. Once inside its doors, students will be transported into a city where they are the decision-makers.

Exchange City New England will house

14 business enterprises, including a bank, radio station, post office, factory, newspaper, restaurant, utility company, distribution center, technology shop and city hall.

Students will "become" business owners, civil servants, employees, public officials or consumers for one day as they fulfill the requirements of the job for which they've been "hired" by a team of volunteer business people and teachers.

THE PROGRAM

During the first six weeks of the program, students spend about an hour each school day in their classrooms preparing for their one-day experiential learning adventure at Exchange City, where they will put into practice all they've learned.

Once the students' positions are determined, each student then researches what the responsibilities are of the job he or she has within Exchange City. "We have guest speakers come in to talk about the responsibilities of their jobs and students also visit banks and other businesses to see how they are run in preparation for the day they will spend at Exchange City," says Bob Lister,

Entrepreneurs



Edd, assistant superintendent of the Portsmouth School Department. "Students also study things such as what a free market economy is and how it works, how to hire and fire people and how goods and services arrive at the marketplace."

Over the final two weeks, students evaluate their performance at Exchange City and examine reasons for their business successes or failures.

Designed for fifth- and sixth-graders to have hands-on learning experiences, the eight-week Exchange City New England program integrates a carefully developed classroom curriculum with an interactive program in a simulated city environment, Ross says. The program enhances classroom curriculum areas, including language arts, social studies, economics, mathematics and computer technology.

"The program brings out amazing potential in children and they can leave school

ready to handle what the business world will require of them," Ross says. Students learn about their role in society and how they can be successful contributors to the social order. "This is the power of the program," he says.

ATTRACTING BIG BUSINESS

Leaders in business and education recognize the program's real-world applications and are backing their interest with considerable financial support.

In addition to the \$1 million for construction, Exchange City New England will cost another \$1 million for the first three years of operation. After that, the program will be self-supporting. Exchange City New England will launch a pilot program just as soon as the additional amount of funds, some \$600,000, is raised to complete construction.

Sponsors can donate at a variety of levels, including the platinum-level (or lifetime) sponsorship of \$50,000 paid over two years.

Liberty Mutual made a \$50,000 commitment, which includes an in-kind services agreement for information technology services. Terry Conner, senior vice president and CIO of Liberty Mutual Group's Information Systems headquarters in Portsmouth, sees the program as "helping integrate classroom lessons with business in the real-world setting. It seems to be a very powerful way to reinforce the educational experience."

"It helps make students' classroom lessons real so they can relate to everyday life at one level while, at another level, they

learn what it means to be involved in commerce and business," says Conner. "This is something we are very much interested in, as Liberty Mutual is a strong supporter of Junior Achievement, a primary partner of Exchange City New England."

Anthem Blue Cross and Blue Shield is also a platinum-level sponsor. "We are impressed with how the program offers the potential to create a new generation of informed and empowered consumers, business owners and employees," says Karen A. Brown, director of corporate communications. "It gives students opportunities to role-play running a city and its businesses so they can understand the important commerce connections between business, government and the community."

Wendy's Boston Co-op, comprising about 80 Wendy's restaurants in NH and Massachusetts, is another \$50,000 sponsor of the program. "We felt Wendy's would want to get involved because the program fit the philosophic profile of Dave Thomas, who was a successful entrepreneur," notes Glen Baker, president of Merrimack-based Twin Coast Enterprises, a Wendy's fran-



chisee Baker sat on the board of directors of Boston's Junior Achievement and had been involved in Junior Achievement as a high school student.

"Because Junior Achievement is focused on developing entrepreneurial interest in students, we felt Exchange City New England offered a nice fit."

Baker notes that exposing young students to the art of operating a business could mean that more students will consider starting their own businesses. "I think a lot of the nation's success is founded on small business >



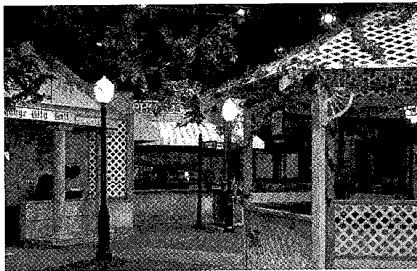
entrepreneurs and family-run businesses — all of which are providing strong economic growth for the country,” he says.

Conner notes the program has been successful in other parts of the country. “Any project that supports our New England educational system is something we should all consider. It offers a tremendous opportunity for students to develop maturity concerning business — which most students don’t have the chance to get until much later in their lives.”

Brown agrees with the sentiment. “Laying the groundwork early on in students’ lives should help to pique their interest in business. With a greater understanding of how businesses operate, they should be more open to the types of programs that can help them become better educated and better equipped to contribute to the New Hampshire workforce,” she says.

THE CITY

The 14 businesses in Exchange City New England are built around a central town square and park, outfitted with a gazebo, benches and trees. “The realism is tremendous,” says Ross.



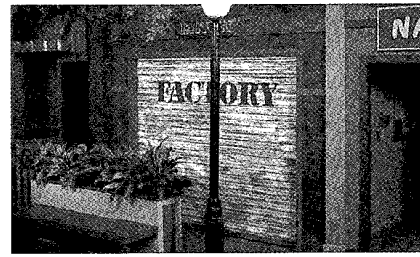
The building housing the city will be built by Hutter Construction of New Ipswich, while Minneapolis-based Art-Tech will construct the modular components of the city, including the stores and businesses. New Hampshire architect Dann Batting provided the city’s design.

Within the city, business decisions students make affect the success or failure of their businesses, which will impact their ability to repay their bank loans.

“Students get paid twice during their Exchange City visit and they take their paychecks to the bank, where they cash them,” explains Ross. “They are then ready to go spend their money in the city’s retail stores, which compete against each other for consumer dollars — just as occurs in real life.”

The pilot program will include students from schools in Rye, Portsmouth, Merrimack, Nashua, Concord, Manchester, Tamworth, Farmington, Littleton, Conway, North Conway and Freedom. Students from pilot schools will not be charged the typical \$25 for the eight-week program.

“We are hopeful that teachers and students and their parents from these schools will help get the word out to their local businesses that we need donations to make this all happen and to continue running the program once it starts,” says Ross.



REVAMPING CURRICULUM

A viable business collaborative between educators and the business community had already existed in Portsmouth prior to the arrival of Exchange City New England. “We’ve been meeting every month to discuss what we, as educators, need to be teaching students in order for them to be properly prepared to enter good jobs upon graduation,” says Lister.

“As a result of our trip to see the program in operation in Minneapolis, our teachers decided to completely revamp the sixth-grade curriculum and we adopted the Exchange City curriculum,” says Lister. “Seeing Exchange City in action had a tremendous impact on us. We had never experienced seeing 100 students so completely focused, on-task, energized and productive — without any behavioral issues to deal with.”

He notes that a four-week lesson on Greece and Rome was postponed in favor of teaching “more about business so the kids can have a greater understanding of economics when they enter college or get a job,” he says.

Lister also says the middle school emphasizes more group activities now over students working independently. “It’s all about active learning and hands-on activities, with lots of opportunities for group interaction.”

Portsmouth schools encourage business people to co-teach with teachers. “Exchange City New England has really opened more and more collaborative opportunities between our school and the business community,” he says.

Ross notes he has already received requests from educators and business leaders to offer a follow-up program to the sixth-grade Exchange City experience.

“We will develop an eighth-, ninth- or 10th-grade curriculum and we hope to have this component to the program operational within two years after we open our doors here,” he says.

Ross is certain other businesses in the state and elsewhere in New England will support Exchange City New England.

“If ever there was an educational program for a business to support, this is it,” he says. “It’s hands-on and it teaches business, economics and entrepreneurship — all of the major components of a real-life business. This is an excellent opportunity for businesses to make a contribution to an educational program with real impact.” ■