



Financial Literacy And You

Lawrence Pon

CPA/PFS, CFP, EA, USTCP, AEP

Today's Presenter

- Lawrence Pon
 - Lawrence Pon is a Certified Public Accountant, Personal Financial Specialist, Certified Financial Planner, Enrolled Agent, United States Tax Court Practitioner, and Accredited Estate Planner in Redwood Shores, CA
 - Mr. Pon has been in practice since 1986 and speaks regularly to tax professionals and financial advisors on the latest tax planning and preparation topics through out California and nationally.
 - Mr. Pon volunteers as a Money Doctor for 360 Degrees of Financial Literacy
 - Mr. Pon received his BS in Business Administration from UC Berkeley and MS in Taxation from Golden Gate University in San Francisco

Why Volunteer for Financial Literacy

- Pandemic has exposed vulnerabilities and challenges
- 78% of Americans live paycheck to paycheck
- Two in three families lack an emergency fund
- California scores an F on the National Report Card on State Efforts to Improve Financial Literacy in High School
 - Only 5 states scored an A
- We cannot wait for government to solve this.
- You are the answer!

Investment News Article

- <https://www.investmentnews.com/gamestops-saga-what-the-stock-surge-proves-about-financial-literacy-205019>
- GameStop's saga: What the stock surge proves about financial (il)literacy
 - By Mark Schoeff
 - April 12, 2021
 - Quotes CalCPA's Mitchell Freedman and Larry Pon

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GameStop's saga: What the stock surge proves about financial (il)literacy



The GameStop trading frenzy taught inexperienced investors the wrong lessons about investing, drawing new attention to the financial literacy threat America has faced for years.

April 12, 2021 [By Mark Schulz, Jr. and Nicole Gammon](#)

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When first-time and inexperienced traders entered the market by plunging into the GameStop Corp. trading frenzy earlier this year, they may have gotten the wrong idea about investing.

[GameStop's stock soared](#) to \$483 per share in late January — up from less than \$3 last April — then came crashing down to earth and then rose again to \$183 in late March. The catalyst of the gyrations, in large part, was the Reddit stock-trading discussion group [r/WallStreetBets](#).

Fintech and social media apps like Robinhood and Twitter added fuel to the fire, enticing more retail investors to band together on social platforms and push stocks.

So the pandemonium over [GameStop sent the message](#) that investing in the stock market is a lot like betting, right? Get in at the right time and ride the wave up.

That takeaway creates a concern for Charlie Fitzgerald and other financial literacy advocates.

"GameStop has become the lesson for why stock market speculating is a very bad idea," said Fitzgerald, principal at the advisory firm Moisand Fitzgerald Tamayo. "GameStop speculating doesn't make one an investor any more than betting on a football game makes one a football player."

Fitzgerald was one of the members of the Financial Planning Association of Florida who helped lead a six-year effort to enact a state law that requires Florida high schools to offer an elective course in financial literacy.

The trading in GameStop ignored the bedrocks of patience, diversification and investing with goals in mind, said Mitchell Freedman, owner of MFAC Financial Advisors.

"The biggest lesson is that there is a difference between investing and gambling," said Freedman, a founder of California JumpStart Coalition, an organization that promotes financial literacy.

He equated GameStop trading with throwing a dart while blindfolded.



BACK TO SCHOOL

Outside of apps, financial literacy also can be taught in a traditional classroom setting, which gives financial advisers an opportunity to participate in imparting good money management principles to the next generation.

Lawrence Pon, vice chair for financial literacy for the California Society of CPAs, taught a class on the subject at a high school in Cupertino, California, just days after GameStop hit its high-water mark. One of the areas he covered was “investing vs. gambling,” and nine of his 42 PowerPoint slides focused on GameStop.

“It’s like being at the casino,” Pon said in characterizing the GameStop frenzy. “They keep rolling the dice over and over and over. If you’re willing to lose, that’s okay, but don’t bet the farm.”

Pon, who is also a certified financial planner, exudes enthusiasm for financial literacy.

“It’s a personal passion of mine,” he said. “America needs a lot of help.”

Fitzgerald encourages financial advisers to take the initiative and contact local school districts to volunteer to teach a financial literacy class. Not only would they contribute to educating the next generation on personal finance, they might get some students interested in a financial advice career.

“You can be a resource to the teacher, and you can introduce a profession,” he said.

This cover story is part of a series of articles highlighting financial education during financial literacy month.

- [**Addressing the financial literacy crisis facing women in America**](#)
- [**The BLX Internship Program**](#)
- [**Coping with a difficult year: How your expert advice can change a life**](#)
- [**Mana Money School spreads the wealth**](#)
- How 403bwise.org Provides Financial Education to K-12 Employees

My Experience with Financial Literacy

- Working with local nonprofits
- Working with the Financial Planning Association
- Working with our legislators
- Working with our government officials
- Volunteering with our local schools
- Money Doctor at 360 Degrees of Financial Literacy
 - Can we do this with CalCPA?

Non-Profits

- Advantages
 - Built in constituents
 - Promotion
 - Venue
 - Professional Advisors
- Disadvantages
 - Turn-over
 - Mergers
 - Staff attention

Non-Profits

- Homeless shelter
- Work force development
- After school programs
- Financial literacy programs
 - Multiple languages
- Train their staff
- Educate their staff
 - Employee benefits

Non-Profits

- Presentations to their board members
 - Charitable giving
 - Planned Giving
 - Financial literacy to their constituents

Financial Planning Association

- Financial Planning Day
 - Formerly a national event
 - Now left to local chapters
 - www.bayareafinancialplanningdays.org
 - Seminars
 - 1:1 counseling
 - No strings attached
- Financial Planning Fairs
- Networking with financial planning members

Legislators

- Assemblymember Evan Low
 - <https://youtu.be/swratRSjlfA>
 - Result of CalCPA day meetings
 - Prof. Annette Nellen & Larry Pon
- Assemblymember Kevin Mullin
 - Event at San Mateo public library
 - Constant meetings during CalCPA Day

Legislators

- Challenge
 - Only one event
 - Need to keep doing these events
 - Keep meeting with legislators during CalCPA days in January and in the summer
 - Let them know about our availability
 - Let them know we can educate their staff
 - Tax Planning
 - Employee benefits
 - Financial planning
- Term Limits
 - Getting to know the new legislator
 - Staff move around

Government Officials

- Former San Francisco Tax Assessor Carmen Chu
 - Family Wealth Forum
 - Virtual in 2020
 - <https://youtu.be/swratRSjlfA>
 - Presentations
 - 1:1 Counseling
 - Taxes
 - Estate Planning
 - Proposition 19
 - <https://youtu.be/97AnXBRxqtY>
 - Cooped Up with Carmen
 - <https://youtu.be/7nohjZ9WUBU>

Government Officials

- State Treasurer Fiona Ma
 - Cal 529
 - Cal ABLE
 - Cal Savers
- San Mateo County Office of Education
 - Career Technical Education
 - Financial Empowerment Superteam
 - Non-profits
 - Junior Achievement
 - Workforce development
 - VISA
 - Jump Start
 - Trade Unions
 - Industry

Government Officials

- Lack of success
 - Principals
 - Superintendents
 - School board members
- Success
 - Devoted teachers
 - Devoted parents
 - Grass roots

Volunteering at Local Schools

- Find that amazing teacher
 - Many teaching financial literacy on their own time
 - Some schools may have a personal finance class
 - San Mateo County
 - One high school
 - Personal finance
 - Elective class
 - Students there for units
 - My experience at Carlmont High School in Belmont, CA
 - One high school has an accounting class
- Challenge
 - Students schedules are packed
 - More mandates

Volunteering at Local Schools

- Financial Literacy & Career Day
 - Full day event at College of San Mateo
 - Financial literacy topics
 - Financial aid
 - Financial goals
 - Inspiring topics
 - Accounting career panel
 - Diverse fields in accounting
 - 2020 virtual event with focus on career panel
 - Offered to under represented schools

Volunteering at Local Schools

- Mentorship programs
 - Sequoia School District
 - Woodside High School
 - Green Academy
 - Business Technology Academy
 - Carlmont High School
 - Biotechnology Institute

CalCPA Money Doctor

- <https://www.360financialliteracy.org/Ask-the-Money-Doctor>
- <https://www.360financialliteracy.org/>
- Can we set this up for CalCPA?
- Recruit CA Money Doctors
- Not only email answers - video

Resources

- <https://www.calcpa.org/public-resources/financial-literacy>
 - CalCPA Financial Literacy
- <https://cajumpstart.org/>
 - <https://cajumpstart.org/about-us/board-of-directors>
- <https://www.cde.ca.gov/pd/ca/hs/finlitk12.asp>
 - California Department of Education
- <https://www.fdic.gov/resources/consumers/money-smart/>
 - FDIC Money Smart

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