



THE MOTLEY FOOL®

To Educate, Amuse & Enrich

Fool's School

Financial Literacy

Educate, and educate early. That's our stunningly simple solution to prevent the "next" global credit crisis, as we kick off the 12th year of Foolanthropy, our annual philanthropic campaign.

Many Americans find themselves under a mountain of debt, with too much house, too little savings and too superficial an understanding about money. That's not surprising, since financial literacy isn't a priority in our nation. Sixty-two percent of school-age Americans responding to a 2006 Jump\$tart personal finance survey received failing scores. Still, only seven of our 50 states require high school students to take a personal finance course to graduate.

The lack of a basic financial education means many Americans are ill-equipped to make sound long-term financial decisions. And when one group takes uneducated risks — like, say, subprime borrowers wanting cheap credit to buy real estate — it can directly and substantially affect the rest of us.

In our charity drive this year we're supporting DonorsChoose.org, a dynamic non-profit organization that funds specific proj-

ects in public schools. Teachers from across the United States post project proposals, and "citizen philanthropists" (like you!) choose to fund the projects that appeal to them.

The partnership between DonorsChoose.org and The Motley Fool will specifically fund projects dedicated to financial and economic education. The teachers are already on board; they simply need the tools.

Through Jan. 20, 2009, The Motley Fool community at large will rally to make a difference in public schools and to eradicate financial illiteracy. In addition to money raised from our community, the Fool will be donating \$10,000 toward the cause, and we'll also continue our annual "My 2 Cents" campaign, adding 2 cents for every single message posted on any of our discussion boards (at <http://boards.fool.com>), as well as for every single CAPS pitch (at <http://caps.fool.com>), during the month of December.

Help us raise money by posting comments on our discussion boards, by making a CAPS pitch during the month of December or by donating money — whatever the sum.

Learn much more at www.foolanthropy.com. ■

My Dumbest Investment

Smart Wife

I purchased shares of a penny stock and then sold them on my wife's request. Lesson learned: Let your wife make her own investment decisions. I bought shares at 58 cents and 72 cents each. The current price? \$1.44. I'll probably get back into this company, even though the price is higher.

— J.T., online

The Fool Responds: The stock is back around 80 cents now, having been as low as 44 cents and as high as \$3.77 during the year. This is penny stock territory, where lots of tiny, unproven companies trade. It's often rather difficult to find sufficient information on them. Worse, they tend to be very volatile and easily manipulated, leading investors to get excited and pile on when a penny stock is rising, and then wiped out when it rapidly falls. Your wife's advice was sound: Consider steering clear of penny stocks. There are lots of bigger, more established companies trading at attractive prices — especially these days. Try our Motley Fool Stock Advisor newsletter free for 30 days, and you'll be able to get access to all past issues and lots of recommendations. ■



Do you have an embarrassing lesson learned the hard way? Boil it down to 100 words (or less) and send it to The Motley Fool c/o My Dumbest Investment. Got one that worked? Submit to My Smartest Investment. If we print yours, you'll win a Fool's cap!

Last week's trivia answer

I'm a large media and education company, founded in 1877. Along with the flagship newspaper that bears my name, my properties include Newsweek magazine, Slate.com, BudgetTravel.com, Sprig.com, CourseAdvisor, television stations in Detroit, Houston, Miami, Orlando, San Antonio and Jacksonville, and the Cable ONE cable television system. I also own Kaplan, which helps students prepare for a variety of standardized tests, among other educational and career services. (Kaplan alone raked in more than \$2 billion in 2007.) There's a popular John Philip Sousa march named after me, and Richard Nixon didn't particularly like me. Who am I? ■

(Answer: The Washington Post Co.)



Write to Us! Send questions for Ask the Fool, Dumbest (or Smartest) Investments (up to 100 words), and your Trivia entries to Fool@fool.com or via regular mail c/o this newspaper, attn: The Motley Fool. Sorry, we can't provide individual financial advice.

What Is This Thing Called The Motley Fool?

Remember Shakespeare? Remember "As You Like It"? In Elizabethan days, Fools were the only people who could get away with telling the truth to the King or Queen. The Motley Fool tells the truth about investing, and hopes you'll laugh all the way to the bank.

Ask the Fool

Splitting Bases

Q If my stock splits 2-for-1, how do I figure my cost basis?
— J.C., Lake City, Fla.

A It's probably easier than you think. Your basis splits 2-for-1, along with the stock. Imagine that you bought 100 shares of Buzzy's Broccoli Beer (ticker: BRRRP) for \$50 each, paying a \$12 commission. Your cost basis is \$5,012 or \$50.12 per share. After the split, you have 200 shares, and your basis is still \$5,012, or \$25.06 per share. Always add the purchase commission to your cost basis and subtract the sales commission from your proceeds you'll save a few tax dollars that way.

If you're paying a lot more than \$12 or \$15 per trade in commissions, you might want to find a less expensive brokerage. Learn more about brokerages at www.broker.fool.com and www.sec.gov/answers/open-account.htm.

Q What's deflation?
— P.T., Kenosha, Wis.

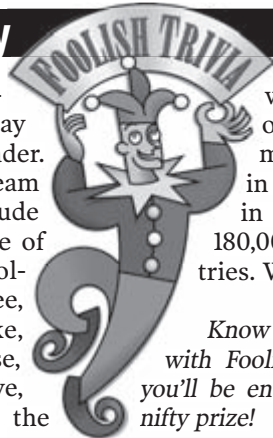
A It's the opposite of inflation, and it happens when price levels fall over time, typically during a recession. It's frequently accompanied by rising unemployment and decreased production. So you get the idea — although the idea of lower prices may sound good, deflation isn't usually welcome. Prices may be lower, but that's mainly due to supply outstripping demand, as many people (and businesses) can't afford various items or are putting off buying them.

Experts today are divided on whether the U.S. is facing the threat of deflation, but many agree that there are measures that can be taken to combat it. The Fed, for example, can lower interest rates, as it has recently done. Those worried about deflation might brace for a possible pullback in stocks and might look to lock in some yields with government bonds. ■

Got a question for the Fool? Send it in — see Write to Us.

Name That Company

I trace my roots back to a British soapmaker in the 1890s. Today I'm a global food and hygiene leader. I'm the world's largest ice cream maker, with U.S. brands that include Ben & Jerry's and Breyers. Some of my 400 brands include Axe, Bertolli, Caress, Country Crock, Degree, Dove, Hellmann's, Klondike, Knorr, Lipton, Popsicle, Promise, Q-Tips, Skippy, Slim-Fast, Suave, Sunsilk and Vaseline. Around the



world, someone chooses one of my products 160 million times a day. I raked in almost \$10 billion in sales in 2007 and employ nearly 180,000 people in 100 countries. Who am I? ■

Know the answer? Send it to us with Foolish Trivia on the top and you'll be entered into a drawing for a nifty prize!

The Motley Fool Take

Why Is Everybody Picking on Disney?

Sure, Disney (NYSE: DIS) shares have fallen by 35 percent since May. And its recent quarterly earnings report was mixed, with earnings up just a little, after adjustments. But lamentations in the media have been overblown.

Disney's parks and resorts division posted a 7 percent increase in revenue. Operating income did drop 4 percent, but that's due to higher labor and fuel costs (and fuel has since retreated dramatically).

Not everything is zip-a-dee-doo-dah-riffic. However, where's the love for the dependable ESPN and Disney Channel cable revenue, which is offsetting lower ad revenue at ABC? Where's the applause for

the popularity of the consumer-product division's "Hannah Montana" and "High School Musical" merchandise?

These aren't banner times in the media industry. News Corp. shares were slammed recently after the company lowered its expectations. CBS shares fell, too, even after the company reassured investors that it would keep its beefy dividend. Others, such as Time Warner and Viacom, are relying on steady cable properties, but are also feeling the sting of the fading advertising market.

So hang in there, Mickey. Things aren't great and won't get any better in the near term, but shares seem to have been punished more than they deserved. Recession or worse, entertainment still matters. ■

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We provide comprehensive vein disease evaluation and treatment in a uniquely warm and comfortable outpatient environment with state-of-the-art medical technology and superior technical expertise. We strive to exceed your expectations in all aspects of your treatment experience.

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