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The Magic of Financial Literacy

We've all heard the saying, "money makes the world go round," and probably even jammed to the song "Billionaire" by Bruno Mars. Yes, we all dream and fantasize of living in an enormous mansion with an abundance of cash money, but HELLO that's likely to never happen. So let me take you on a trip to reality, on the importance of money and savings.

As we're all aware, money doesn't grow on trees, which makes it extremely essential to start saving now. Saving while you're young makes life so much easier in the years to come. I know you may be thinking of all the "cons," but think again, there are education funds, emergencies, even retirement.

If you're one of those kids who is definitely looking forward to college, then saving should be a must for you. See the average four-year public college is \$7,605 per year in tuition for state students. The charge for full-time out of state students is an average of \$11,900 per year. If your direction is more towards a private college, then the tuition and fees could average \$27,293 per year. Don't forget about the additional college fees such as books, room and board, college supplies, and personal goods. As you can see, college can be very expensive. Even though there is scholarship money, you should still have a backup plan.

Retirement is something most people don't even think twice about. When you become of age to retire for your career you leave with a small amount of money. Retirement funds are the easier way to save for retirement. Using this magical technique called compounding allows your investments to keep earning interest over time. Think of it as building this huge money wall. As surreal as it may sound, the effects of compounding can be amazingly big, trust me!

You may be wondering, "How in the world am I going to start saving?" Well don't panic there are a lot of spontaneous ways to invest your money. First you should talk to your parents about setting up your own personal savings account. I'm pretty sure if you stress the importance of having your

account, they're likely to say "Yes." Next you should consider compounding your money. If you stay consistent with your savings, it's bound to work.

Also as simple as it may sound, you just need to learn self-control. No one likes to admit it, but we do blow our money off on the most unreasonable items. Occasionally we need to just take a step back and save our change. You never know how much it adds up to. Try taking budgeting into consideration. You don't always have to buy the most expensive items.

Now I'm going to need you to use your imagination for this one. Let's pretend your mom just gave you \$200 to spend wisely at your local mall and you're budgeting all the prices until you catch a glimpse of the freshest pair of Jordans, but the price of the shoes is \$197. Are you still willing to buy them? Hopefully you will think twice and walk away from the shoes.

So now you're gratefully blessed with all this knowledge on how to save money and how to spend it. Bruno Mars stated, "He wants to be a billionaire so freaking bad," and if you feel the same way you should take what you've learned today and use it out there in the real world.

Good Luck!