



# ON THE MONEY

BY TEENS FOR TEENS

WINTER/SPRING 2020

## INVESTING

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## CAREERS IN SUPPLY CHAIN MANAGEMENT

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# WE ARE COLLEGE BOUND!

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## ABOUT ON THE MONEY

On the Money magazine is written by teens for other teens. On the Money covers entrepreneurship, business, finance, credit, saving and more. The internship provides real world experiences and resources that can help students learn to meet their business, money and career goals. On the Money is provided by the Economic Awareness Council through collaboration with DePaul University, the Chicago Public Library, the City of Chicago, and the Chicago Public Schools.

*www.OntheMoneyMagazine.org*

*\*Request additional copies at OTM@EconCouncil.org*

## ABOUT THE EAC

The Economic Awareness Council (EAC) is a non-profit financial education organization with program attendance of over 25,000 each year.

*www.EconCouncil.org*

*Thank you to State Farm Insurance Companies®, Republic Bank of Chicago, TCF Bank, Bank of America, Great Lakes Credit Union, Byline Bank and Huntington Bank for their support of On the Money.*



Thank you to DePaul University & DePaul University's Center for Writing Based Learning (UCWbL) for your support of our interns.



Thank you to the CFA Society of Chicago as well as the EAC Board & Associate Board for your volunteer support.

# LETTER FROM THE DEPARTMENT OF FAMILY & SUPPORT SERVICES COMMISSIONER

Make Summer 2020 memorable!

Find a job or internship through One Summer Chicago and get the experience, skills and connections to help propel you to the next level – academically, socially and professionally.

Gain insight from business owners, leaders, managers and more.

Earn money. Meet mentors. Create friendships. Build your resumé.

And with 30,000 job opportunities available each summer, there's something for everyone. From life guards to day camp leaders to computer coding, banking or investing, One Summer Chicago partners offer a wide range of job and internship opportunities that provide both a paycheck and a great summer experience.

Applications open this March at [OneSummerChicago.org](http://OneSummerChicago.org).

Lisa Morrison Butler,  
Commissioner of the Department of Family & Support Services (DFSS)



## ONE SUMMER CHICAGO



### READY \_\_\_\_\_

**Gather your:**

- Social Security Card
- Identification

**Create** a Work-Ready Email

### SET \_\_\_\_\_

- Prepare** a Resume
- Learn** How to Dress for Success
- Practice** Interviewing
- Explore** Banking Options
- Explore** Summer Job Opportunities

### GO \_\_\_\_\_

- Visit:** [OneSummerChicago.org](http://OneSummerChicago.org)

#1summerchicago

CHICAGO DEPARTMENT OF  
**FAMILY & SUPPORT SERVICES**  
BUILD • SUPPORT • EMPOWER



## OTM INTERNS

**Olamide Babayeju**

*Senior, Northside College Prep*

**Mia Booth**

*Junior, Kenwood Academy*

**Elizabeth (Lizzy) Brahin**

*Junior, Walter Payton College Prep*

**Caleb Dunson**

*Senior, Whitney M. Young High School*

**Gwenyth Easterling**

*Senior, Brooks High School*

**London Gibson-Purcell**

*Sophomore, Whitney M. Young High School*

**Saransh Gupta**

*Sophomore, Whitney M. Young High School*

**Erika Henderson**

*Junior, Simpson Academy for Young Women*

**Steven Li**

*Senior, Walter Payton College Prep*

**Vraj Parikh**

*Junior, Taft High School*

**Giselle Rodriguez**

*Senior, Instituto Health Sciences*

*Career Academy*

**Leslie Walker**

*Sophomore, Walter Payton College Prep*

**Instructors & Assistant Instructors**

Toiria Baker

Kailyn Bates

Jennifer Baeza

Tracy Frizzell

# Saving for Retirement & Roth IRAs

*Olamide Babayeju*

Remember that lunch you bought last week or your daily morning coffee? Delicious, right? While those purchases provide temporary satisfaction, that money can be put to better use. What if the money you spend could be worth thousands of dollars by the time you retire? Income you invest in a Roth IRA may do that for you.

A Roth IRA is an individual retirement account where contributions grow tax-free. You can contribute up to \$6,000 yearly. To open a Roth IRA, you have to be 18 or with parent approval. Sadly, this cannot be done through babysitting or a lemonade stand, but requires a job with a verifiable pay stub.

Why now? **Despite one of the strongest economies in decades, only 1 in 4 Americans feel financially prepared for retirement** (CFP Board, “New Research Confirms Americans Are Not Prepared for Retirement”, 2019). Starting an account at a young age is preferable, since Roth IRAs grow your money through compounding interest (the addition of interest to the principal sum of a loan or deposit). Lucy K., a college student who recently started a Roth IRA, states, *“It makes me feel a lot more mature and releases some of that anxiety and fear of the future.”*

There are some drawbacks to starting an IRA account since Roth IRAs are designed for retirement. **Although you can withdraw your contributions at any time, to avoid penalties you must consider the following requirements for withdrawing earnings.** *“You must satisfy two requirements for a qualified distribution to avoid taxes and a 10% early withdrawal penalty. First, you must have held a Roth IRA account for at least five years... Second, you must be at least 59½, disabled, dead (the distribution is taken by heirs) or using up to \$10,000 toward a first-home purchase”* (O’Shea, “Early Withdrawals from Roth IRAs ...”, 2019). Anuraag Tripathi, co-founder of Manifest, a company that facilitates IRA and 401K transfers, comments that, *“Kids will want to start trading and investing, and IRAs limit that activity.”*

If you decide to invest in an IRA, you must be aware of your earnings and budget, and prevent yourself from withdrawing money early. Find a balance. Don’t wait, start now!



On the Money would like to thank State Farm Insurance Companies® for their sponsorship of this issue and State Farm Agents Doug Kramer, Tina Tzinares, Jon Guderjan, Linda Mitchell, Vic Portillo, Trevor Halloran, Matt Gross, and Georgelyn Hicks for their volunteer support.



# ACTIVE OR PASSIVE INVESTING

Lizzy Brahin

People always say to invest your money, but what does that mean? When it comes to the stock market, you can make a portfolio of stocks with the hope of increasing its value.

To create a balanced portfolio, there must be diversification: investment in a variety of stocks in order to get “as much exposure to the market,” reducing risk, says Cynthia Plouche, a former portfolio manager. The goal of diversification is to mirror all aspects of the market (defined as all stocks that are publicly traded), as the market has historically increased over time. “Despite this principle, only 34% of people say they make sure their investments are diversified” (Leonhardt, “Only a Third of Americans Say They Avoid This Investment Mistake”, 2019). This leaves the remainder of people risking losses and financial insecurity. One of the best ways to address this is by investing in a fund, a predetermined portfolio that is managed by professionals, either actively or passively.

Active investing involves buying and selling to follow a specific investment strategy, and therefore, the funds are not necessarily as diversified. However, professionals managing these funds try to outperform the average returns of a particular set of stocks called an index. The index serves as a benchmark for what the fund’s returns should be. Since actively managed funds strive to outperform the market, they frequently carry high fees to cover the cost of skilled portfolio managers.

Passive investing, on the other hand, limits the amount of buying and selling in order to produce returns similar to an index fund in the long term. Passively managed funds closely mirror index funds, which means less trading, lower fees and lower capital gains taxes. Therefore, “by reason of its substantially lower expense ratio, a passive index fund, compared with more costly actively managed funds, could enhance an investor’s savings by more than 20%” (Bogle, “The Arithmetic of ‘All-In’ Investment Expenses”, 2018).

So the next time you hear someone telling you to buy a specific stock, pause. Remember the advantages of having a diversified portfolio to reduce risk. Consider the differences between active and passive investing. And don’t forget to follow the advice of Justin Sheperd, a Chartered Financial Analyst, and “understand the potential taxes and fees.”



On the Money would like to thank TCF Bank for their sponsorship of this issue and their volunteer support.

# “To Work or Not to Work”

Erika Henderson

Did you know that roughly 56% of students (16 through 24 years old) are working at least during the summer months? (Bureau of Labor Statistics, Employment & Unemployment among Youth, 2019). Youth unemployment fell to 9% in 2019, which was its lowest number since 1966. This is great because jobs can give youth employees many skills that are important for their future career. Christi, a former On the Money intern and One Summer Chicago youth, described some of the things she learned by working as a student, “I learned the importance of time management and how to talk with a variety of individuals from different backgrounds. One of the skills I acquired is how to effectively research my target audience.” Christi also learned many financial skills from earning a paycheck and explained, “I learned how to have a budget that works with my wants and needs and the importance of saving for unexpected expenses.”



One Summer Chicago Interns visit Millman Consulting

Lisa Davis, Director of One Summer Chicago, explained that if you have the choice to work while attending school you must take into consideration your responsibility to the job/internship and your school responsibilities. You need to be able to balance the two. It isn't easy at first, but you can ask for help (Davis, 2019). She said that if you would like to have your job help lead to future or more permanent positions, you should always come to work on time; as they say in the military, “early is on time and on time is late.” Be early, push yourself to do top notch work, be prepared for work and dress appropriately. You never know who is watching, so always give your best.



While working has many benefits for youth in terms of experience, youth also need to be careful to balance their work and school if they work year-round. Roughly 26% of youth ages 16-19 work during the school year (Bureau of Labor Statistics, Labor Force Participation Rate - Enrolled in School, 16-19 yrs, 2019). If you are a student who is looking forward to working and going to school, then you should find something flexible that works with your school schedule. When looking for job postings, finding a trustworthy resource will help you to find that position that lines up with your classes as well.

Overall, teens can benefit from working because they pick up more professional life skills, such as balancing school and their job, helping them save for college, creating a budget and more.

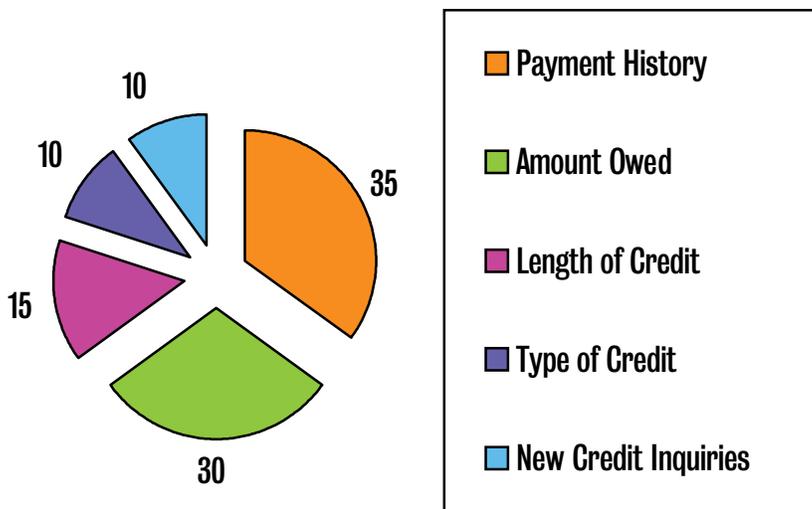
On the Money would like to thank Bank of America for their sponsorship and volunteer support.



# How Credit Can Affect You After College

Vraj Parikh

You might be asking why do I need a good credit score? When you get a credit card or get a loan, the bank looks at your score to determine whether you are eligible for the loan and what interest rate you have to pay. But did you know others might check your credit for your insurance, a job or renting an apartment? When I met up with a recent graduate, Adam, he told me about his credit score and what he did in his past to get the score he has today. *“Credit has impacted my life after college, making decisions like buying cars and paying bills on time and how my credit score determines how I live my life. I believe to improve my credit score [I will need to use credit cards] less and pay the bills quickly. I had to make hard choices, for example, paying my bills and loan on time [instead of going] out with my friends.”*



There are 3 main factors in how your credit score is calculated.

1. **Payment history is the main factor that affects your credit score. It accounts for about 35% of your credit score for each of the scoring models.** This means that you should ALWAYS pay your bills on time as agreed (<https://www.creditkarma.com/credit-cards/i/what-is-fico-score/>, 2019).

2. **The second factor is the amount of debt you owe, which accounts for 30% of your credit score** (Skowronski, “You Might be Surprised What Impacts Your Credit Score”, 2019). That debt, also called your credit utilization ratio, is calculated by comparing your credit limit to how much of that credit limit you’ve used. Say you have no loans and a single credit card with a \$200 balance and a \$1,000 credit limit, your credit utilization rate is 20%. *“It’s best to keep your credit utilization to less than 30% or definitely less than 50%”,* says Skowronski.

3. **The 3rd factor is the length of your credit history, which accounts for 15% of your credit score.** Because of this factor, you may want to consider a secured credit card, a traditional credit card or a credit builder loan once you have a full-time job and are sure you can pay off your balance on time, in full each month to avoid interest charges. **Do not to put more charges on your credit builder loan, credit card or secured credit card than you have in your emergency savings so you can always pay your balance in full.**

These are the top three factors that make your credit score.

Learn about other factors here:

<https://www.creditkarma.com/credit-cards/i/what-is-fico-score/>



If you invest just \$7.50 per day until you retire, you will be a millionaire! (Assume 7.5% APR from age 16 to 65.)

**Start small. Think Big.**  
Join the Young Illinois Saves movement today!

Visit [YoungIllinoisSaves.org](http://YoungIllinoisSaves.org)  
to learn more!

**YOUNG ILLINOIS**  
**AMERICA**  
**Saves**  
**START SMALL. THINK BIG.**

# Opt Out of Overdraft to Avoid Fees.... It's Your RIGHT!

An overdraft happens when more money is withdrawn from a bank account than the account has in it. If you overdraw your account you will often be charged a significant fee—typically \$34. These charges cost American consumers \$15 billion per year.

## How can you avoid overdraft fees?

1

Opt out of overdraft! This is your right on any bank account. Just contact your bank and opt out.

(You still need to be careful of automatic payments and checks, but this should help greatly.)



2

Set up low balance alerts and check your balance often.

3

Ask your banker to carefully explain the fees and policies on your bank account. Having a linked savings account may also be helpful.



**Find a no overdraft bank account at [getbankedchicago.com](http://getbankedchicago.com)**

## Did you know payday loans can cost 400% APR or 4X the amount you borrowed in some states?

12 million Americans take out pay day loans each year, spending over \$9 billion. What are pay day loans? Pay day loans are small, short-term, unsecured loans that have a high cost and are due on your pay day.

## How can you protect yourself from needing pay day loans?



1

Have emergency savings. By "borrowing" money from your savings, YOU stay in control of your finances and avoid paying interest.

2

Look for a personal loan at a bank or credit union. These are generally cheaper than a pay day loan. Building good credit in advance will help you secure a personal loan. You could also look into peer to peer lending if appropriate.



3

Try to negotiate a payment plan with any creditors or companies where you owe bills. The worst they can say is no!

Learn more at [econcouncil.org](http://econcouncil.org)



Thank you to our supporters & partners



# ROAD OF AFFORDABILITY TO COLLEGE



Steven Li

The infamous senior college season is best known for its countless caffeine-driven extravaganzas featuring supplemental essays, major decision making, insane acceptance rates, and breakdowns over affording college. However, before this application process can even occur, students decide their ideal college, including aspects beyond the school's academics. A student's social life, residence halls, and location are huge factors influencing the next four years of a prospective student's life.

Some students immediately start visiting colleges while many other students are stuck in their home state, unable to afford flights, hotel costs, and travel expenses. **Organizations like college-visits.com provide college tours by region, costing upwards of \$2,000** (Gobel, "3 Ways to Cut College Tour Costs", 2015). **When you add the costs of application fees, applying to college runs upward of \$3,500 according to Kat Cohen, CEO of admissions consultant Ivy Wise** (Goldstein, "3 Ways to Cut College Tour Costs", 2015). However, there are amazing opportunities for students to live on college campuses, live in dorms, and find their fit with fly-in programs.

Fly-in programs target first-generation, low-income, and/or minority high-school seniors to provide an opportunity to visit college campuses that would otherwise be out of their affordable range. University

of Pennsylvania, Pomona College, and others continue to offer these programs, involving a full-expense paid trip to the colleges. Students are also able to sit in college classes of their interest, have college essay workshops, live in dorms, and meet with admission and financial aid officers.

These programs include college-formed itineraries, often providing insight beyond a typical college tour. Many students find these programs extremely useful in their college journey, especially when figuring out their social fit, something they couldn't do from home.

Cristian Carpio, a first-generation student, expressed his gratitude to the University of Pennsylvania saying, "*PEEP has provided me perspective and direction that my family wouldn't be able to afford.*" Yousif Mohsen, another first-generation student who went to Pomona College's fly-in program expresses a sense of community saying he "*was far from the only first-generation, low-income student of color on a journey for higher education.*" To find fly-in's, College Greenlight provides annually updated lists of all fly-in opportunities and deadlines, which you can find at [CollegeGreenlight.com](http://CollegeGreenlight.com). The only thing left for students to do is to apply.

# FUNDING GIVEN TO PWIs

# VERSUS HBCUs

Mia Booth

Performance has become a factor in how schools receive money in several states. Just like a high school, colleges and universities need their students to perform well and grow as students so they can make the case that they should receive funding from their state. This is called performance-based funding.

*“Performance-based funding is a system based on allocating a portion of a state’s higher education budget according to specific performance measures, such as course completion, credit attainment, and degree completion, instead of allocating funding based entirely on enrollment,”* says AmericanProgress.org. PWIs (predominately white institutions) have more positive results in producing more graduates, more students who graduate with multiple degrees, and also more students who find a job within their career field than HBCUs (historically black colleges and universities).

An active alumni community is also a way to earn money for the schools. However, HBCUs have a minimal amount of graduates who give back to the school from which they received an education. *“U.S. News & World Report recently published a list of historically black colleges and universities that achieve the greatest rate of alumni giving. For the HBCUs that supplied data to the survey, the average giving rate*

*was a dismally low, 11.2 percent,”* says Journal for Blacks in Higher Education (*“The Sorry State of Alumni Giving at Historically Black Colleges and Universities,”* 2017). If they do not give back, there are not enough resources for HBCU students. On the other hand, PWIs obtain more money from their alumnus, giving them more money to offer to their students for benefits, such as full rides or scholarships and more money to provide more resources.

A recent On the Money alumni and student at Howard University said, *“I love attending Howard University mostly because I am able to strengthen my identity as an African-American woman. Additionally, there are so many opportunities that come with attending an HBCU in the nation’s capital.”*

There are a variety of universities that you can choose from when deciding where you would like to receive an education, but you also must keep in mind if the school is a fit for you and if the school has sufficient resources for you to be successful in college.

**Visit [CollegeBudgetBuilder.org](http://CollegeBudgetBuilder.org) to create a college budget!**



# How Race Affects Buying Power

Leslie Walker

No matter where you are or what you're doing, you are bombarded with billboards, digital promotions, and other forms of advertising. Companies are constantly marketing their products to you in an attempt to draw you in as a consumer. But have you ever wondered why certain advertisements are always popping up around you?

Well, one reason is because of your buying power. It's an important statistic when it comes to how businesses market themselves. It's the amount of money a consumer or group of consumers has to buy goods and services. In order to efficiently evaluate a demographic's buying power, a business has to "identify a group that is interested in their product and has the means to buy said product," (Candice Bonfiglio, Marketing Officer at Republic Bank). This affects the type of products offered and the way in which they are advertised, depending on the consumer's buying power. There are many factors that play into a demographic's buying power, like age, gender, employment, credit and class, but the largest factor is race. **According to the Georgia Business and Economics' study on the Multicultural Economy, the white population has the most buying power with over \$11 trillion dollars as of 2014. Followed by Hispanics with \$1.3 trillion, blacks with \$1.1 trillion, Asians with \$696.5 billion, and American Indians with \$82.7 billion.** Businesses, from luxury brands to convenient stores, will market their products more frequently to the groups with more buying power

Studies show that buying power is increasing amongst minorities. For example, in 2014, it was predicted that non-whites would see an increase in their buying power (Statista Research Department, 2014) and those results yielded. Strategically, companies look at both current and projected buying power when deciding how to advertise. "A consumer may not have buying power now, but the potential is high that they will gain buying power later on in life," says Kathryn Person, a microeconomics teacher at Walter Payton College Prep.

So next time you are on Youtube and an ad for a new gadget pops up, just know that company wanted you to see it based on your current and potential buying power, along with other factors.



**Republic Bank**

On the Money would like to thank Republic Bank for their sponsorship of this issue and for hosting our interns in One Summer Chicago.

# “How to get a Pet for Free... Kinda”

Giselle Rodriguez

Lets face it, pet ownership is not for everyone. **According to ASPCA, on average \$1000 is spent on the first year for all basic animal expenses, and that amount increases throughout the years.** (American Society for the Prevention of Cruelty to Animals, “Pet Statistics”, 2019). What if there was a way to enjoy the fun side of having a pet without having to consider the costs of its basic needs? Similar to many animal shelters who provide fostering programs, PAWS Chicago provides food, water, and funds to cover veterinary emergencies if they were to occur. For this reason, fostering is a great option because not only does it benefit your local animal shelter, but you are also able to contribute in saving lives and save money all at the same time.

PAWS volunteers and staff say that emotional attachment is the hardest part of fostering. Sheila, who has volunteered for 11 years and has fostered for 2 years, stated, *“At first it’s hard but it gets easier. It’s so fun...you don’t need a lot of space, they are as happy as they can be.”* Ashleigh, a PAWS fostering team coordinator mentioned that the best part of her job is *“to be able to witness the transformation of an animal from extremely shy, sick, or near death, to a healthy canine or feline... it is a true blessing.”* The practice of temporary care has many benefits: the animals learn how to be a pet ready for adoption, residential pets enjoy



the company, and kids are able to learn the importance of taking care of an animal.

As reported by the Humane Society, *“Of the 3 million cats and dogs euthanized in shelters each year, approximately 2.4 million (80%) are healthy and treatable and could have been adopted into new homes.”* (The Humane Society of the United States, “Pets by the Numbers”, 2019). Fostering animals helps prevent these sad cases from occurring. As PAWS Chicago would say, *“every pet is worth saving.”* Consider fostering if you would like a pet, but might need to save on overall pet care costs.



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# THE FUTURE OF CRYPTOCURRENCY

Saransh Gupta

Nearly 8% of American adults are currently investing or have invested in cryptocurrency (Uzeki, “How Many People Invest in Cryptocurrency?”, 2018). The new trend of crypto is notable, but how safe is investing in it? Cryptocurrency, like Bitcoin, Ethereum, etc., is a type of currency which uses digital files as money and is likely part of the future. However, the road to the cryptocurrency of the future may be rocky. If you would like to invest in cryptocurrency, you should be aware of the market trends, risks and whether or not you are investing in the right currency.

**Future investment in cryptocurrencies could provide greater economic security for consumers concerned about the government’s ability to protect their money, regardless of what country they live in. Many coins will gain stability, and they could help protect against both short-term and long-term inflation/value changes, according to Dustin Wei, Head of Development at coinflip.atm.**

However, as we understand cryptocurrency now, there are both advantages and disadvantages to shifting economic transactions to cryptocurrency. *“There’s a lot of risk in cryptocurrencies due to the lack of regulation, the high rate of theft, and the lack of insurance for cryptocurrency wallets,”* (Uzeki, “How Many People Invest in Cryptocurrency?”, 2018).

Currently, there is a lot of potential for value and usage growth with cryptocurrency, but the potential risk is also great. Some experts think the future may not bode well for many specific cryptocurrencies and this could mean a total loss for owners of those currencies. For example, as cited in an interview with Bloomberg News (Nov, 2019) the CEO of a leading cryptocurrency Ripple, Brad Garlingson says, *“There around 3,000 different digital assets that trade on a daily basis now... I have said publicly before that I think that probably 99% of all crypto goes to zero but there is that one percent that is focused on solving a real problem for real customers and is able to do that at scale and that is going to be game changing...”*

Overall, though the business of crypto has risks, it is a field that is constantly changing and is an interesting field to watch.

# How Venture Capital Firms Can Help Your Business

London Gibson-Purcell

Many people may think they have the next million-dollar idea, but the lack of funds and proper guidance could be their downfall. There are multiple ways to get a business off the ground, but getting involved with a venture capital firm could produce a large profit. According to Medium Magazine, **“In the past 15 years, the amount of money invested by US-based VC firms into startups grew more than 4x to almost \$85 billion dollars last year”** (Feng, 2018). This upsurge of money for new businesses could be valuable for the next Facebook. Jumpstarting a business’ growth is a difficult process and having the financial support from a venture capital firm will help.

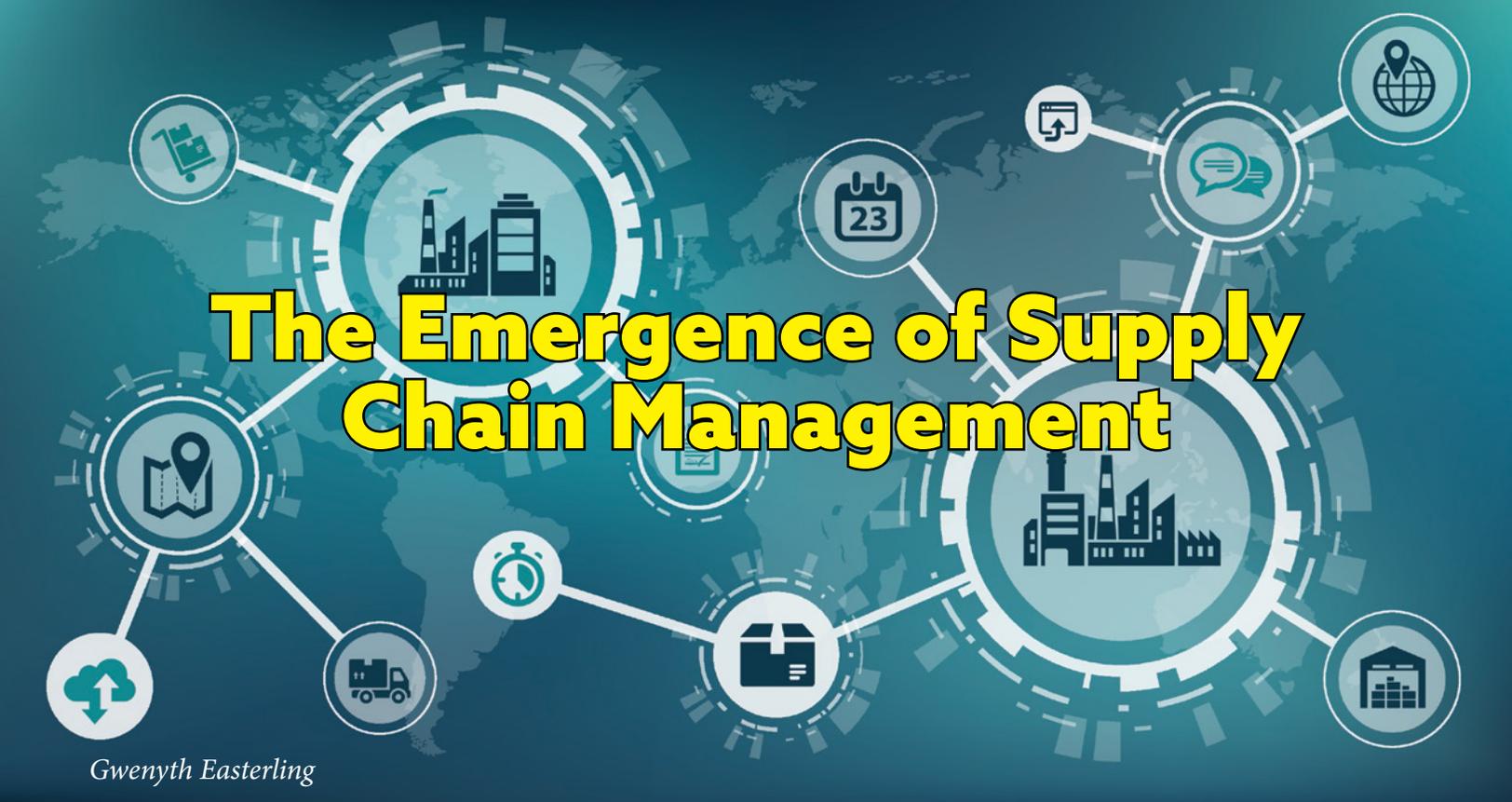
The new generation of entrepreneurs is responsible for some of the most innovative ideas that influence pop culture. **Young business founder, Benjamin Stern, was funded by Mark Cuban on the well-known show Shark Tank (Stern, 2019). He now runs a very successful company named Nohbo, producing eco-friendly body products. Stern came up with the hit idea in his ninth-grade biology class and demonstrates how your passions could be actualized through VC funding.**

Being conscious of the possible opportunities for your future business will enable you to reap the benefits provided by venture capital companies. A concern that is sometimes discussed related to venture capital is that small companies could be taken advantage of, but in many cases this is not true. According to



Jason Starr, the Managing Director at Company First, *“Some firms make fewer investments and get more involved with their companies, depending on the area of expertise”* (Starr 2019). Some firms act as an advisor. In Starr’s company, they focus specifically on finance and marketing strategies rather than product development. Connecting a business with companies such as Company First allows self-management of your creative process with guidance as needed.

In addition, with venture capital you still receive the money needed to supersize the growth of your business. A prime example is the upstart of Uber. *“The company has raised \$12.9 billion in funding from venture capital in nine funding rounds. But the company has recently been valued at \$68 billion”* (Mercedante, 2019). The money given to Uber by VC firms maximized their value and launched them into the 5-star company they are today. Although VC funding may mean a loss in complete autonomy for your company, the payoff could be large.



# The Emergence of Supply Chain Management

Gwenyth Easterling

If you want a successful business (and who doesn't?), you have to make your supply chain successful too. Melanie Sims, a University of Madison Wisconsin supply chain, marketing and operations student, describes supply chain management as, "a cross-functional discipline that encompasses the areas of strategy, product development, marketing, finance, sourcing, production, logistics and technology within all businesses. It is responsible for the efficient movement of products, services, data and cash throughout the entire chain, with business partners stationed all over the world." According to a survey by Deloitte from 2014, **79% of companies with high-performing supply chains reported revenue growth that was higher than average within their industries (8 Reasons Why Your Business' Success Depends Upon Your Supply Chain, Logistics Bureau, 2020).**

Why is supply chain management important? It's important because it drives revenue growth, it captures market share, and enhances customer satisfaction and loyalty, which is increasingly important in the age of e-commerce. For example, many retailers are using delivery as a competitive weapon. It is even more important to consider supply chain management as a career.

The perceptions of supply chain management began to change when the focus of the business transitioned to the customer. Customers are now quickly shifting to next-

day delivery and even same-day delivery expectations. A supply chain management and logistics professor at City Colleges of Chicago says, "Supply chains are being driven by customer demands more than ever... with far more educated consumers pressing companies toward customization, transparency and tailored delivery, it's nearly inevitable for a company have a supply chain management department." Businesses now have access to technology that can enhance and address the needs of manufacturing and distribution for companies.

Supply chain management has evolved over time and it has become essential for businesses to construct a top tier supply chain department. It is even more important to research a career in supply chain. According to Damast in the article, "Why Supply Chain Management Has Become A Hot Major At Business Schools", "Supply Chain Management is one of the highest-paying jobs with just a bachelor's degree. Supply chain undergraduate placement rates are between 85% to 100%, and in many cases, graduates are accepting higher starting salaries than finance and accounting majors," (Damast, 2015). The implementation of supply chain management must be a primary focus within organizations and be in alignment with the overall business strategy. This emergence of supply chain management as a critical business discipline is what makes its career path so promising.

# THE CASE FOR ENTREPRENEURSHIP:

Caleb Dunson

We all have an image of a typical entrepreneur. You know, the person living in Silicon Valley, spending eighteen hours a day coding and making billions of dollars every year. But that isn't what most entrepreneurs look like; they're everyday people who do things like sell clothes, record music, or even manage social media accounts.

Entrepreneurship is no longer something reserved for the elite or highly educated. In a survey of entrepreneurs done by CNBC and reported in the article, "A Secret Many Small-Business Owners Share with Mark Zuckerberg", 56 percent of respondents did not have a college degree (Juang, 2017). Additionally, according to the US Small Business Administration's publication "Frequently Asked Questions About Small Businesses", from 2005 to 2017, 78.6 percent of businesses survived their first year (US Small Business Administration, 2018). As teens, you are uniquely positioned for entrepreneurial success in ways that other age groups are not.

When starting a business, you have the ability to use your talents and skills to make money, as you would in a job, but with entrepreneurship you gain ownership of the work that you do. Furthermore, because you are still in high school, the risk inherent in starting a business is much lower. If you fail, you can cut your losses and continue school. However, if you succeed, a world of financial freedom and opportunity opens up. Matthew Burzec, founder and CEO of Kicks of Chicago, a sneaker customization business, says, "earning my own income has allowed me to spend and invest in my own needs and future rather than relying on a set weekly income from my parents," (Burzec, 2019).

Entrepreneurship also puts you in a position of leadership. You are given the opportunity to learn how to work with others, plan and execute strategies, and manage a variety of things at once; skills you will need for the rest of your life, whether you want to continue with entrepreneurship or not. Emmanuel Thompson, founder and CEO of Strength Together, a mental health app for teens, said being an entrepreneur forced him to grow and pushed him to take responsibility for getting things done (Thompson, 2019).

Perhaps most importantly, entrepreneurship grants you the ability to make an impact in your community. In founding my nonprofit organization, Youth Entrepreneurship League, which supports young entrepreneurs as they grow their businesses, I have learned about the impact that business can have (learn more at YELChicago.com). With entrepreneurship, you no longer have to rely on others to make improvements in your community, you can start to do it yourself.

Now I have to ask... **WHY NOT?**

# WHY NOT?

**WANT TO BUY FROM OTHER LOCAL TEEN ENTREPRENEURS OR SELL YOUR PRODUCT?**

**VISIT IGENMARKET.COM!**



*Inspire. Uplift. Exchange.*

*An online marketplace based in Chicago designed to give young entrepreneurs a platform to promote and sell their products and services*

iGEN Teen Entrepreneur Marketplace



**HAVE A BUSINESS IDEA?  
CHECK OUT THE ENTREPRENEURSHIP  
RESOURCES AT  
LRNG.ORG/ECONOMIC-AWARENESS-COUNCIL/PLAY-  
LIST/BE-A-BOSS**

# ON THE MONEY INTERN ATTENDS CHICAGO IDEAS WEEK EVENT

## WHAT I LEARNED AT CHICAGO IDEAS WEEK EVENT, SCALING YOUR BUSINESS, WITH DAVID KALT

*Leslie Walker*

I had the pleasure of going to Chicago Ideas Week and listening to a talk with the CEO of Reverb, David Kalt. Reverb is a platform that buys and sells musical instruments and was recently sold to Etsy. When reflecting on his accomplishments, Kalt dropped some invaluable information on building, growing, and stabilizing your business:

**1. Money is precious and every dollar should be deployed effectively.** You have to know where your money is being spent. Make sure you are putting your money in places where it can work for you and have the most impact.

**2. Real world experience and resources are invaluable tools to assess your weaknesses.** As a young entrepreneur, you have much to learn and you should embrace mentors and people who are willing to give you advice to push you further. You also have to continue to grow and expand your perspective because the more people you are able to connect with, the more customers you will attract.

**3. Sacrifices are inevitable but that doesn't mean they are always bad.** As with anything, you have to be willing to sacrifice; whether it's time, money, or even your sleep. The key to a successful business is making the right sacrifices that will yield the most positive impact in the long run. Regardless of your business goals, these tips will push you and your business forward, as long as you stick to them!

Visit [chicagoideas.com](http://chicagoideas.com) to learn more about Chicago Ideas Week, to attend events like this, and to access the many opportunities that Chicago Ideas Week provides!



# Junior Economic Club



Are you interested in going into business or finance, but feel that school does not adequately prepare you for your future? Apply to the Junior Economic Club today! Gain access to exclusive networking events, opportunities, internships, and more! The Junior Economic Club is an entirely student-led 501(c)(3) non-profit that provides driven high school students exposure to the real world of business. Seasonal forums featuring top business executives, monthly events sponsored by various companies, and frequent competitions give members plenty of opportunities to get involved in the club. Additionally, the Junior Economic Club gives members opportunities to teach financial literacy at under-served middle schools through our High Returns Program and start (and fund) their own business through our Entrepreneurship Workshop Program with 2112 Chicago.

The Junior Economic Club of Chicago draws from over 18 high schools from across the city, offering experiences like no other organization of its kind. Apply today for lifelong friendships, exclusive invitations, and exciting opportunities at [junioreconomicclub.org/apply-now](http://junioreconomicclub.org/apply-now). Join us in building a generation of effective leaders.



# Can Economics Save the World?

Lizzy Brahin

Do you think economics can save the world? Well, the economists at the University of Chicago seem to think so. On November 19th, the Becker Friedman Institute for Economics at the University of Chicago (BFI) hosted a policy round table where they discussed the implications of economics on a variety of social issues facing the world including poverty, education in third world countries, and gender inequality. Moderated by Michael Greenstone, director of BFI and former Chief Economist for President Obama’s Council of Advisors, the event featured the 2019 Nobel Prize Winner in Economics, Abhijit Banerjee, and other esteemed economists including Wally Adeyemo, Katherine Baicker, and Steve Levitt. While they discussed current social issues facing the world, they also discussed issues facing economists. Both the inaccessibility of research and rising rates of mistrust of economists are widening the “*divide between academia and government*” and preventing the research from academia to influence future policy. In order to combat this problem, economists with varying backgrounds from across the country came together to rebuild public trust and determine solutions for the future. If you are interested in exploring the intersection of business, public policy, economics, and law, be sure to keep an eye out for the many free events around Chicago hosted by BFI at <https://bfi.uchicago.edu/events/>.



Also, visit these sites for more information about saving and financial literacy events near you!

**America Saves Week - Feb 24th - 29th**  
[AmericaSavesWeek.org](https://AmericaSavesWeek.org)

**Money Smart Week - April 4th - 11th**  
[MoneySmartWeek.org](https://MoneySmartWeek.org)



## #IMSAVINGFOR

Share your “I’m Saving For” story using **#ImSavingFor** for your chance to win up to \$750.

Official Rules: [americasaves.org/imsavingforsweepstakes-official-rules](https://americasaves.org/imsavingforsweepstakes-official-rules)



# CHICAGO STAR SCHOLARSHIP



CPS high school seniors who graduate with a 3.0 GPA and who test completion-ready in math and English are able to pursue a degree or certificate at City Colleges at no cost—free tuition and books.

Complete your application online at:  
[www.ccc.edu/starscholarship](http://www.ccc.edu/starscholarship)



## What Does the Scholarship Cover?

City Colleges will provide waivers for all tuition and books not covered by financial aid.



## Who Is Eligible for this Program?

City Colleges will provide this free college opportunity for Chicago Public High School graduating seniors who meet these academic requirements:

- 1) Graduates from a CPS high school with a 3.0 or higher GPA
- 2) Enrolls in one of the City Colleges' academic pathways\*
- 3) Earns either:
  - A) a score of 17 or higher on the English and math ACT,
  - (B) a score of 460 or higher on the English SAT and 440 or higher on the math SAT, or
  - (C) tests "Completion Ready" through the CCC placement exam.

The best score from any of these components (ACT, SAT, or CCC placement exam) will be used to qualify the student.

This includes undocumented students, international students, and students at CPS charter high schools.

\* French Pastry School excluded.



## How Long Is the Scholarship Good for?

CPS graduates will have up to three years to use the funds starting in the first fall semester after their CPS graduation.



## What Is Completion-Ready?

Completion-ready means a student's test scores indicate he or she can take courses leading to college-level coursework and earn an associate degree within three years of enrolling at City Colleges.



## Steps to Apply

- 1) Check the Star application box while completing the City Colleges online admissions application. If you have already applied to CCC, you can submit a scholarship application via the Student Portal under the "Finance" section.
- 2) Complete and submit the Free Application for Federal Student Aid (FAFSA) and the verification process at your City College. If you are ineligible to complete the FAFSA, you must complete the Star Certification of Ineligibility form found on the Student Portal.
- 3) Complete the Transfer Partner Consent form, accepting or declining to share your student data with four-year colleges and universities that offer additional funding to Star Scholars who transfer. This can also be found in CCC's student portal.

As of January 8, 2019



[WWW.CCC.EDU](http://WWW.CCC.EDU) | 773-COLLEGE

Are you a Chicago business professional or journalist? Want to volunteer with On the Money?

Email us at [otm@econcouncil.org](mailto:otm@econcouncil.org) to learn more.



# TRY IT OUT!

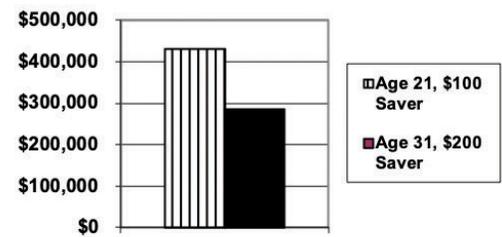
## APPLY WHAT YOU LEARNED IN ON THE MONEY

1) On page 4 and 5, Olamide and Lizzy discuss information about various investing strategies for the long-term. Starting to invest for retirement with your first full time job after college can really pay off. Check out the graph below. Who ends up with the most money at retirement?

### THE RACE TO SAVE

- Check it out: If you look at an example of two women, one who invests about \$100 per month\* starting at age 21 and the other who invests twice this much – over \$200 per month – starting at age 31, who will end up with more money at age 65?
- The woman that started at age \_\_\_ had more money in the end!  
Visit EconCouncil.org – Programs– Get Real (ch2) to find the answers.

**Total Investment Value at Age 65**



2) On page 6, Erika Henderson discusses the importance of work experience for teens and young adults. Do you have summer plans yet? Check out the opportunities at OneSummerChicago.org! Visit EconCouncil.org – Resources and download the resume template to prepare for summer job applications.

## NEED A BANK ACCOUNT? LEARN MORE AT [GETBANKEDCHICAGO.COM](http://GETBANKEDCHICAGO.COM)



## LEARN MORE ABOUT ONE SUMMER CHICAGO AT [ONESUMMERCHICAGO.ORG](http://ONESUMMERCHICAGO.ORG).

### What Are You Saving For?

- YES! I want to be a Young Illinois Saver.  
I pledge to save \$ \_\_\_\_\_ a month to reach my goal of saving for \_\_\_\_\_ (i.e. college, emergency fund, car.)

Name \_\_\_\_\_

Zip \_\_\_\_\_

Phone\* (\_\_\_\_) \_\_\_\_\_

\*Required if you want to receive text messages, don't forget to check the box!

Email \_\_\_\_\_

