



BY TEENS FOR TEENS

ON THE MONEY

FALL 2019

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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

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On the Money -
Money Mentors provided financial education to over 10,000 youth in 2019, and 5,100 youth banked and used direct deposit in One Summer Chicago!



Citi Foundation



Thank you to the Citi Foundation and the CFE Fund for their support of youth financial capability for One Summer Chicago.

LETTER FROM ILLINOIS STATE TREASURER MICHAEL FRERICHS

Considering opening your first credit card? Good for you. Using a credit card to establish a history of good personal credit is a positive step for young adults. Please, however, understand that a credit card purchase essentially is a loan with average interest rates as high as 20 percent. That's right. That \$100 sweater you must have will cost more than \$120 if you pay for it with a credit card and then do not pay the entire credit card bill at the end of the month. Using a credit card as a cash-management tool is great. Every household and business in America uses cash-management tools. Buying a sweater you can't afford on a credit card is dangerous if you're not careful. It will lead to a lifetime of bad debt. Instead of paying the entire credit card balance each month, more of your hard-earned dollars will go to paying the growing credit card interest rate and not the principal – the original cost of the sweater. There also will be late payment penalty fees.

Learning money management skills and cash flow techniques takes time. Credit card companies know this. That is why many credit card companies will entice you with free gifts. Once you turn 18, the credit card offers will fill your mailbox with eye-popping headlines: No interest for 12 months. Free balance transfer for one year. 10,000 free airline miles. Who doesn't like free?

At college, long tables covered with pretty cloth and decorated with bright balloons replaces snail mail to draw your attention to the credit card offer: No interest for 12 months (Again!). Free cell phone. Coupons for pizza, coffee and entertainment. Yes, more free airline miles. Why all the "free?" Because, that is the hook. Credit card companies bet that first-time users have yet to establish money management skills, cash flow techniques, and the discipline that is needed to use a credit card wisely. Without these lessons, newly minted credit card holders rarely pay off their monthly credit card bills, which is how the credit card companies make money.

For each young adult who learns quickly and understands the value of fully paying credit card bills each month, credit card companies bet there are many more who don't. That's how credit card companies stay in business, and that's how young adults begin the death spiral of bad debt. The spiral doesn't end, however, with bad credit card debt. Not at all.

Want to buy a car? The first thing the auto dealership or bank will do is search your credit history. Bad credit history means you're a bad credit risk. Bad credit risks do not receive car loans. You know who else looks at credit history? Landlords. Bad credit means that cool apartment will go to someone else. Let's not even think about a mortgage to buy a home.

Also, don't forget about that job application. Depending on the position, the hiring manager will run a credit report before determining who gets invited to an interview. Bad credit history? No job interview.

Eventually, the debt collectors will come calling. Even credit card companies don't want to carry unnecessary risk. So, now that you know the risk/reward of credit cards, do your homework. Compare interest rates, cash-back offers, and other incentives. Be patient, be disciplined, and make your payments on time so that you will build a solid credit history. With that knowledge – and good credit score – you can achieve anything.



OTM INTERNS

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ENJOY COLLEGE {WITHOUT BREAKING THE BANK}

Kyra Washington

College is expensive, but many students do not account for how much money is spent outside of tuition. By planning accordingly, you can learn to budget properly. In the article titled, “Amount of Spending Money a College Student Needs”, Karen Frazier creates a sample budget to show some items college students spend money on with an estimate of how much they spend. These items include clothes, entertainment, food, gas and car insurance—for those who bring their vehicles to campus—phone bills, textbooks and school supplies, electronics, and transportation to and from home throughout the semester. While everyone has different spending habits, Frazier estimated that a more conservative student spends up to \$8,500 a year. A student who’s spending is on the more expensive side can spend up to \$21,050 a year. Frazier also points out that by working either on or off campus, the average student is able to make about \$195 a week, or if working part time year around, about \$10,000.

In the 2016 College and Personal Finance Study by Dave Ruthmanner, it was reported that **43% of students don’t track their spending, and 58% said they aren’t saving each month.** There are plenty of resources available to help students create a budget, such as CollegeBudgetBuilder.org. This resource provides a free online tool to help college students create and save their own budget.

Christi Wright, a peer financial mentor at DePaul University, gave a few tips on budgeting and saving. Mint is one budgeting app she keeps on her smartphone. This app is connected to her bank and stock accounts so she can keep up with her total assets. On Mint, you are able to pick your budget, and the app tells you if you are on track, over or under for that budget category. As encouragement for others to save, Wright points out, **“the average American does not have 6 months of emergency funds saved up, which leads to financial stress and can even affect their health, especially if and when an emergency does come up and they do not have enough money.”**

Keelah Washington, a graduate student at Southern Illinois University Edwardsville, has experienced some financial gains and losses since she started college. Washington was able to take advantage of quite a few job opportunities on campus, both paid and unpaid. While she received a lot of different jobs offers, she said that finding a job that works for you is important. “Make sure it leaves time for you to get some studying done. Library jobs are usually great or any desk management positions since they give you some down time to work on homework and still get paid for it.” Washington also pointed out that “on campus jobs also help you get funds from FAFSA, and they can base your work schedule on your class schedule, midterms, and finals because they make academic success a top priority.”

A screenshot of the College Budget Builder website. At the top, there is a navigation bar with "College Budget Builder", "Log In / Register", "Budget Builder", "Videos", "Learn More", and "Help". Below the navigation bar is a large banner image showing a group of diverse college students smiling and talking. Overlaid on the banner is a large, bold, red text box that reads "Visit CollegeBudgetBuilder.org to create a college budget!". Below the banner, there is a white box with the following text: "College Budget Builder", "Did you know that financial pressure is the #1 reason for college dropout? Do you know what your TRUE costs for college are or will be? A majority of college students do NOT!", "Get a handle on your money management plan for college. Register and create a college budget today!", and "(The College Budget Builder provides data about average college costs AND also allows you the option of customizing your budget. The College Budget Builder is always free, and we will not share your personal information.)".

BUDGETING FOR TEENS

Christina Dennis



Growing up is all about making hard choices. For teens, one of those hard choices is budgeting. Making money as a teen is a great accomplishment, but one might discover that small things are not guaranteed. **Although 77% of teens consider themselves good savers, only half (52%) have a savings account** ([Charles Schwab Teen Survey, 2011](#)). It's important to start budgeting now because it teaches us about making choices, which will benefit us in the future.

A great way to start budgeting is to save a little throughout the entire month to plan for future costs that may come your way. This may include car related payments (i.e., gas, insurance payments), the cost of mobile phones, food and drink, the costs of grooming (i.e., haircuts, clothes, make-up) or any other cost of living. Over time, some of these expenditures will vary. Budgeting is a great way to start planning your spending each month.

By learning how to budget, you'll learn how to become more self-reliant and spend your cash on what you need and not what you want. I interviewed two teens: Ariana, who budgets, and Kayla, who doesn't. Ariana said, "I don't shop as much as I used to. I started working for my school through After School Matters. I'm saving for a new phone before I leave for college." On the other hand, Kayla spends her check every time she gets paid. She said, "There isn't a point in me saving because we only live once."

While both teens had reasons for their choices and Kayla's feelings are common, blindly spending will not be helpful in developing future plans and can have significant consequences. **One study notes the number one reason for teens dropping out of college is financial pressure** (Hoffman, McKenzie, & Paris, 2008). From personal experience, I have learned the importance of saving and not spending so carelessly.



On the Money would like to thank State Farm Insurance Companies® for their sponsorship of this issue and State Farm Agents, Doug Kramer, Elvia Solis, and Tina Tzinares for their volunteer support.

Buying & Selling Used Clothing



Karmen Rosiles

More people are paying attention to their carbon footprint, increasing the demand for zero-waste shopping. [The Ellen MacArthur Foundation](#) found that one garbage truck of clothes is sent to the landfill or burned each second. An anonymous high-end worker said that “inventory [turns over] very often, but not as much as cheaper stores, to make sure customers see something new every time they come in.” According to thredUp “millennials and Gen Z are adopting secondhand [shopping] 2.5x faster than other age groups.” With this comes the increased opportunity to not only benefit the environment but a chance to make money and save money as well.

Making Money

Many of us have clothing in our closet that we no longer wear and selling used clothing is a trending way to make extra cash. One can go into shops such as Plato’s Closet to instantly receive payment for salable clothing, or one can determine the price they want to sell their clothing on apps such as Poshmark or Mercari. Carly Mei, a college sophomore, said she has used Mercari and “sold clothes, jewelry, an iPad and laptop and made enough money to pay for school.”

Tips for selling used clothes:

- Take aesthetically pleasing pictures.
- Make sure clothes are clean and lint free.
- Price based on quality, brand and demand (In summer, there will be more customers looking for shorts rather than winter coats.)



No luck selling clothes? Donate any good condition items to a local thrift store. Be careful with donations as some centers have excess, and clothing still gets sent to landfills. Some retailers offer discounts when you bring in items to recycle.

Saving Money

Second hand clothing is also a great way to save money as used clothing is often less expensive than shopping at a retail store. Many thrift stores often have sales on certain clothing such as an additional fifty percent off their already low price. Sites such as The RealReal sell verified luxury items that are gently used.

Tips for buying used clothes:

- Do not buy solely because it is cheap, only buy stuff you love and know you will get use out of.
- Make sure to try on clothes for a good fit.
- Wash clothes after you buy them. They are not always washed before donated or sold!



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

INSTANT RAMEN, INSTANT PROBLEMS



And Healthy, Budget Friendly Alternatives

Cindy Chan

Instant ramen is a common go-to meal for many college students and anyone who is on a tight budget. It is cheap, accessible, and savory. Although instant ramen is a popular meal among many college students, overconsumption of instant ramen is tied to cardiometabolic risk factors. There are other budget friendly, healthier alternatives and programs that offer accessibility to fresh, high-quality produce.

[A 2017 study](#) conducted in Seoul, Korea found a positive correlation between the increased consumption of ramen and an increased risk of obesity and cardiometabolic health conditions. According to Centers for Disease Control and Prevention, [“the prevalence of obesity was 39.8% and \[has\] affected about 93.8 million of US adults in 2015~2016.”](#) With 93.8 million US adults affected by obesity, this means that they are more likely to develop heart disease, type II diabetes, and cancer. This results in a need for medical attention and costly treatments. According to the [American Diabetes Association](#), patients diagnosed with diabetes incur medical expenses up to \$16,752 and \$9,601 of that is attributed to diabetes. These numbers are shocking. It is important for students to understand how something low-cost can lead to long-term expensive outcomes, especially when there are other affordable food sources.

Many healthier and low-cost options are available right in Chicago. At Harold Washington College, there is a weekly farmer’s market available, but students need to pay attention and seek these out. “I spend about \$10 a day on food when I have class, which is Monday to Friday. I never noticed or paid much attention to the resources [Harold Washington] offered,” says Jia Lin, a student at Harold Washington College. The city of Chicago also has ongoing [city sponsored farmer’s markets](#) throughout various neighborhoods in the metropolitan area when they are in season.

Farmer’s markets provide a great alternative for those that shop there. “I want to make sure that what my children eat will help maintain overall good health, and it certainly will not include junk and fast food,” says Li, a mother of three, two currently in college, who shops at her nearby city sponsored market. “It is good for young adults to know about and take advantage of these things because there is already an issue with obesity in America.”

Overall, instant ramen may be cheap and savory, but because of its correlation to obesity it should be consumed once in a while, not frequently. Keep in mind, it is not the only option available. It may be cheap today, but those future medical bills may not be!

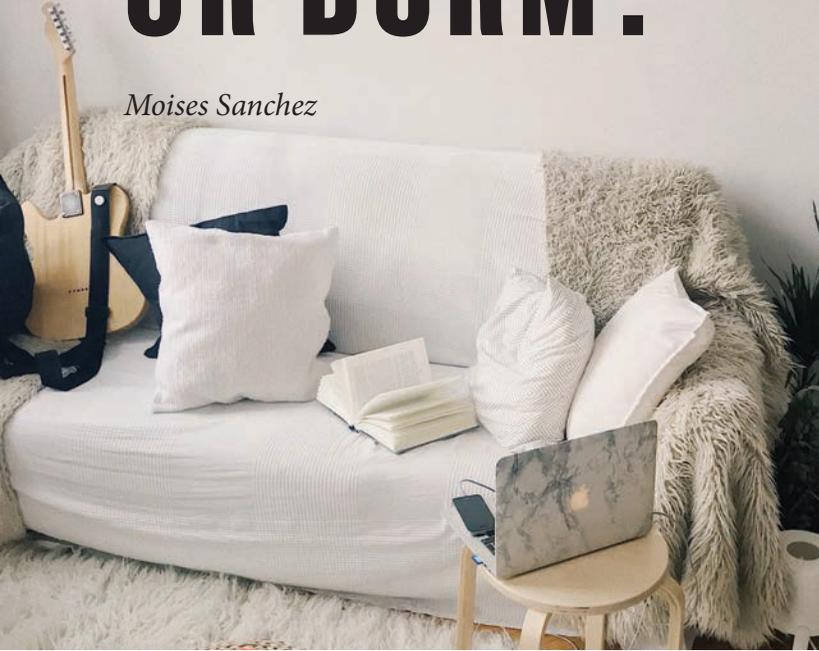


Bank of America 

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APARTMENT OR DORM?

Moises Sanchez



Students need to make many different decisions for college. For instance, students must carefully analyze the living options available for them. There are various apartment complexes on campus, each offering many different suites with varying price ranges. Furthermore, universities offer campus dorms. **There are many factors that each student must analyze in order to find the best place to live for their situation.**

Let's look at the first option, living in an apartment. According to Molly Zupan from the Daily Illini, apartments offer more space, potentially lower costs, more privacy, more freedom, and less regulations than dorms. Marco, who recently graduated from the University of Illinois at Urbana-Champaign states, "Living in an apartment is great. You have more room for your personal stuff, and it is typically cheaper than living in a dorm, but you have to worry about different things, such as food and how you get to classes."

Possible lower costs obviously would depend on the apartment complex, as they vary in price and there are also different regulations depending on the complex you choose. As great as apartment living sounds, there are disadvan-

tages. One of these disadvantages is that your apartment may be farther away from your classes. Dorms are typically closer to campus than apartments. Also, you have to think about your overall cost including utilities. According to the University of Illinois Tenant Union, "In a 3 or 4 bedroom apartment your monthly share of rent for a 12-month lease could be more than \$500 plus utilities, or more than \$480 per month plus utilities in a 2-bedroom apartment. This may be more expensive than the cost of living in the University residence halls."

Other housing options available for students are dorms. There are perks to living in university housing including a meal plan, being on campus, and not having to pay utilities. Danny, who lived in a dorm his first two years at college states, "I don't believe dorms are as bad as people make them seem. Yes, you have restrictions set by resident advisors, but you also don't have to worry about paying extra for your light, water, and other expenses. On top of that, most people who choose to live in dorms receive meal plans, so they don't have to worry about food either." In conclusion, the argument between choosing an apartment or a dorm comes to personal preference. Apartments may be cheaper OR more expensive depending upon the specific situation and the additional costs for food and utilities. Advantages include more freedom and space, but disadvantages include worrying about food and distance to classes.



On the Money would like to thank Wintrust Bank for hosting the On the Money interns during One Summer Chicago.

CREDIT CARD TIPS



Gabrielle Ariel Carter

“CREDIT CARDS ARE ALL ABOUT BEHAVIOR AND UNDERSTANDING HOW CREDIT AFFECTS YOUR LIFE”.
- WILLIAM CHEEKS, WILLIAM CHEEKS, JUMPSTART COALITION FOR PERSONAL FINANCIAL LITERACY

So many young adults and teens don't realize how important credit is in our daily lives. “Don't let poor credit stand in the way of achieving your dreams. Credit reports and credit scores don't have to be a mystery” (MyFico, 2019). Equifax, a site that has a lot of information about credit and is one of the primary credit reporting agencies, describes that companies use your credit for many things, from mortgages to insurance. There are so many things about credit young adults need to know, but for now, let's focus on tips for getting a credit card and maintaining good habits. Anyone can benefit from these tips, from first time credit card holders to those looking to repair their credit score.

1. KNOW WHERE YOUR CREDIT CARD IS AT ALL TIMES

If you don't keep your card in your wallet with your other cards, then keep it in a safe place only you know.

2. MAKE PAYMENTS ON TIME, ALL OF THE TIME

Doing this will raise your credit score and help you with things in the future, like buying a car.

3. KEEP YOUR CREDIT UTILIZATION LOW, LESS THAN 30%

According to credit reporting agency [Experian](#), your credit utilization can impact up to 30% of your credit score. Keeping your credit utilization overall AND on each card below 30%, can help you to build a higher credit score.

4. PAY BALANCE IN FULL EVERY MONTH

Paying your balance completely every month means you don't pay interest on the money you spent.

5. GET A CREDIT CARD WITH THE LOWEST INTEREST RATE POSSIBLE AND NO ANNUAL FEES

Having a low interest rate means you pay less in case you're late on a payment for some reason or can't pay the full balance. No annual fees means that you do not pay a fee each year for using the card.

6. CONSTANTLY CHECK YOUR BALANCE

A lot of credit cards have an app where you can check your balance whenever you want.

7. WHEN OR IF YOU GET MARRIED, KNOW WHAT YOUR PARTNER'S CREDIT IS LIKE

If both of your names are on something like a loan, then the credit will affect you.

8. MAKE SURE THAT YOU HAVE A JOB WHEN YOU OPEN A CREDIT CARD

Having a job when you get a credit card means you are more likely to have income to pay your balance on time and in full.

**{ FOR MORE TIPS AND INFORMATION YOU CAN GO TO WEBSITES LIKE
ST8.FM/NEXTDOORONLINE, NERDWALLET.COM, YOUR.VANTAGESCORE.COM,
AND SEARCH.CONSUMERFINANCE.GOV. }**

MONEY MARKET VS SAVINGS ACCOUNT

Andre Hardin

When thinking about opening a bank account, most people often just go for the traditional: checking and saving. Most do not know that there are a vast variety of accounts one can open. There are traditional savings accounts, passbook savings, certificates of deposit (CDs) as well as money market accounts. I will be specific in explaining the difference between a money market account and a traditional savings account.

Money market accounts and savings accounts have a lot of similarities. They are both FDIC insured, but be careful to understand the difference between money market **accounts** at traditional financial institutions, such as a bank, versus a money market **fund** at an investment company. Money market funds at these institutions are not FDIC insured.

Money market accounts at financial institutions earn interest and have no withdrawal penalties. The main purpose of money market accounts is to serve as a deposit account that pays interest based on money market rates. This type of account generally has



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

high minimum balance requirement and has features of both savings and checking accounts. Since the money market account has features of a checking account, this allows you to receive a debit card if you open this account; however, be aware of any fees overall.

On the other hand, the main purpose of savings accounts is to save the money that you receive and earn interest, but savings accounts only allow a limited number of withdrawals. These accounts let customers set aside a portion of their liquid assets while earning a monetary return.

Ultimately, according to Katherine Anderson, Vice President of Wintrust Bank, there really is not ONE better option. It's mostly about which has the highest interest, which account meets your needs and which account you prefer. Also, it is key to know that with a money market account there is often a minimum opening deposit (the money you put in the account to open it) of \$100 or more as well as restrictions or limits on access to your money. On the other hand, with a traditional savings account you have immediate access to your money and lower minimums, but you are limited to 5 or 6 withdrawals per month. With either account be sure to shop around for the best rates. Moneyrate.com noted online savings rates from 1.9% to 2.20%, but the minimums or deposit requirements vary and these rates change frequently. <https://www.money-rates.com/best-savings-account.htm>

All in all, either type of account is a great choice, but it is good to be diverse or to have your investments and savings in a variety of products that meet your needs. It is also smart to learn about the many types of savings accounts there are available.

\$212

Cash earned in 1 savings account in 1 year*



*earned by depositing \$10,500 into an account with a 2% APY

NerdWallet.com

HEALTH INSURANCE

FOR YOUNG PROFESSIONALS

Jesus Martinez

In the 20th century, there wasn't much need for different types of health insurance so there weren't many options for health care available. As the medical system improved, the costs of medical care and the need for insurance both increased.

U.S. health care spending has reached 3.5 trillion, or around \$11,000 per person each year ([cms.gov 2017](https://www.cms.gov)). There are three ways health care is funded: 1. The government (Medicaid) 2. Private health insurance plans (generally provided by the employer) 3. Out of pocket. The question is how this may affect you and your future job.

Let's look at how much a person has to pay for medical services. Just a simple blood test ranges from \$50 - \$3000 dollars ([InternationalInsurance.com 2019](https://www.internationalinsurance.com)). This is why it's important to start to manage one's own money, look at one's priorities, and chose a health insurance program.

Due to of the high cost of health care, a young adult should keep an eye out for benefits that are provided by jobs. Kiara, a young adult professional, states, "As a young adult, I receive insurance through my job. They provided a list of different packages with

PPO and HMO options, most of the differences ranged in price and services. I weighed the pros and cons of each and provided them with an answer."



Kathy Sweedler, a Consumer Economics Educator at the University of Illinois, recommended young adults obtain a [Flexible Spending Account](#)—a limited fund with pre-tax dollars to be used for health care costs—or a [Health Savings Account](#)—an account similar to a Flexible Spending Account, but for those with high deductible insurance plans—to save for health care costs. Tracy Frizzell, Director of the Economic Awareness Council, recommends that young adults consider benefits as they apply for jobs, and if they are not offered health insurance benefits, to look into the Affordable Care Act. The Affordable Care Act offers affordable health insurance and you can apply at <https://www.healthcare.gov/marketplace-in-your-state/>.

In conclusion, young adults should start to look into jobs that provide health insurance or other affordable health care options.



On the Money would like to thank Credit Union1 for hosting our interns with One Summer Chicago.

VITA:



You May Get Your Taxes Done for Free!



Min Zhen

Did you know that some of your paycheck goes to State and Federal taxes? On top of that, 6.75% goes to Social Security and Medicare taxes (Adams-Mott, 2019). In other words, if you earned \$600 over the course of the 2 weeks, and have \$130.50 deducted for taxes, you may have a remainder of \$469.50 showing on your paycheck. In the course of a year, you would pay thousands of dollars in taxes! Now you might question if it's possible to get those funds back or at least some. The answer is yes, it's possible! A lot of students who earn a low income are allowed to file taxes for free and receive a refund. At the beginning of every job that you work, your employer will hand you an I-9 to verify your ability for employment and a W-4 for your tax withholdings. At the end of the

Learn more about taxes!

[Visit LRNG.org/Chicago-BePayDayReady-TaxReady](http://VisitLRNG.org/Chicago-BePayDayReady-TaxReady)

year, your employer will send you a W-2 form for you to use to file taxes. Be sure to keep this W-2! (This will be critical, especially if you are flagged for financial aid verification).

According to Martha C. White, editor for *Time Magazine*, over 13% of 2,200 survey respondents said that they've considered not filing their taxes because it's too complicated. Another 17% said that they guess on some numbers while filing the tax return. A lot of students who are employed choose to not file taxes because their annual income is not high enough and it's complicated. There are many resources available for low income people to file taxes for free, such as The Volunteer Income Tax Assistance program, VITA. VITA provides free tax services for anyone who earns less than \$55,000 annually. Isabela Valentina, a graduate student studying for her Masters in Accounting said, "Regardless if you earn a lot during the year, you still have federal taxes withheld from your income, and you will most likely get all those taxes refunded to you because of a lower income level!" So start filing your taxes! Don't miss out on possibly getting a refund check that you worked hard all year for! Learn more at IRS.gov.



Thank you to the CFA Society of Chicago for your volunteer support.

DREAMING OF A FUTURE

Ivon Guzman

Dreamers are immigrants who qualify for residency status since they entered the U.S. involuntarily as minors. Many of these dreamers are students that aspire for a brighter future but find themselves struggling when applying to college. One of the biggest barriers is financial assistance.

Dave Tomar, an educational author and journalist, states in *5 Things Undocumented Students Should Know Before Attending College in the U.S.*, “Every year, 65,000 undocumented immigrants graduate from high school.... Less than 10% continue to college.” These students are not FAFSA eligible and must find scholarships that help them pay their tuition. Every student has a different situation; therefore, he or she must acknowledge all of the options available to them after high school.

When it comes to school options, dreamers have the same options as any U.S. student. Currently, there is no law prohibiting the admission of undocumented immigrants to U.S. colleges. The National Association of Secondary School Principals claims there are currently 21 states that provide in-state tuition. Dreamers can attend public or private institutions that partner with scholarship associations. A benefit of some private institutions is that regardless of status, students are eligible to receive aid provided by the school. Lizbeth Marquez, an early childhood major at Dominican University, is a great example of this. She acknowledges that she is, “Proud to attend an institution that has given her so much aid and support these past years.”

If students find themselves struggling to pay for college, they can consider the possibility of attending a community college. Many are hesitant to attend community colleges because they may think it would take them longer to receive their bachelor's degree. Albino Salinas, a student of Harold Washington College, felt this way at one point but is glad to have attended community college. For him, it was a step closer to reach his goal. Rather than stopping school, he took classes he knew he would have to take regardless of where he transferred. It is also good to note the Star Scholarship exists for qualified students, which allows them to attend college with no tuition expense. If the Star Scholarship is not awarded, community college is often still a cheaper option.

If none of these options work for dreamer students, there is also the possibility of the students taking a break and working for a while. Once working, they can start saving and attend college when they have the funds or attend as a part-time student. It may prolong their graduation date, but it should not be something that they feel ashamed about. At the end of the day, there is no right or wrong option if you are fighting to accomplish a dream.

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



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 | 773-COLLEGE

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Managing the Challenges of the Transition to College

Darnysha Mitchell

This is the combination that most incoming freshmen think about when they are picturing their first year of college. However, college is about preparing an individual for life after graduation. The transition from high school to college life can be difficult. According to U.S. News & World Report, “1 in 3 first-year students or more don’t return for their sophomore year of college.” Many students decide to take a semester off, get a job, or go to community college to finish their general education classes. In addition to this, College Atlas reports that 30% of college freshman drop out after their first year. Common reasons for these rates include loneliness, academic struggles, not being financially stable, personal issues at home, distracted by parties, and dissatisfaction with the school. According to Abby Sagher of Bottom Line, “Struggling in silence can be detrimental to academic performance, mental health, and physical well-being.” Here are three tips to consider for having a successful freshman year.

Meet with your academic advisor - College advisors help you plan and register for classes, figure out how to cover your education costs using financial aid, find out about internship and job opportunities, and can help you choose a major if you’re undecided. Doing this can help you stay on track to graduate on time.

Get involved in programs - Programs like TRiO and Bottom Line are free, non-profit programs that help students transition into college and guide them throughout their college career. They serve first-generation, low-income students who are attending two or four-year institutions. Both services provide mentoring, financial guidance, and assistance with a job search.

Seek a tutor - Jaida Jude, a sophomore at Illinois State University, says, “I learned that asking for help isn’t a bad idea. When I saw that one of my grades was going down, I went to tutoring to help me understand the lesson more. I did some practice online that really did wonders for me. I met with my professor to get some one-on-one time so she could show me what I need to work on.” Failing a course means you have to retake it and pay out of pocket to make up those credit hours.

WANT TO BUY FROM OTHER
LOCAL TEEN ENTREPRENEURS
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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
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HAVE A BUSINESS IDEA?
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RESOURCES AT
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THE NEW LABOR FORCE: SUCCESS FOR DIVERSE WORKERS

Mikalah Dunbar

Are you considered a minority? Are you a woman? Have you ever had any doubts or concerns about how you would become successful? There are many misconceptions about the likelihood of minorities or women becoming financially successful. In the past, the expectancy of monetary success for those born in rich versus poor communities has always had a huge gap, often leaving minorities at the bottom of the spectrum.

Throughout the years, it has been said that children who are born into an underprivileged family will not be successful. According to Caroline Ratcliffe, author of *Child Poverty and Adult Success*, “Persistently poor children are 13 percent less likely to complete high school and 43 percent less likely to complete college than those who are poor but not persistently poor as children. Persistently poor children are also less likely (by 37 percent) to be consistently employed as young adults than their non-persistently poor counterparts. Ever-poor children whose parents have a high school education (versus not completing high school) are more likely to complete high school.”

Essentially what this means is children born into poverty and/or have parents that barely completed high school are less likely to achieve education success and without educational success they are less likely to receive a high paying job.

Every new generation brings new achievements. This was true for women in recent generations. There was an increase in the labor force participation rate of women from 34 percent in 1950 to 60 percent by 2000. (Toosi, 2002) Also, in Toosi’s article she notes these results impact young adult women as well. “Between 1970 and 1980, the labor force participation rates of women in the 25–34 and 35–44 age groups increased by 20.5 percentage points and 14.4 percentage points, respectively. No other labor force group has ever experienced an increase in participation rates of this magnitude in one decade.”

So it is clear, even though you are a minority or a woman the odds of your success now are greater than they may seem or have been historically.



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Influences on a Teen's College Decision

Cameron Green

As time in high school comes to an end, teens have to begin to think about their next steps in life. For many teens, that would be the decision of which college they might attend. How do teens come to make their college decision and who has the most influence? According to [Social Cognitive Career Theory](#) in the *Stats in Brief* article, the most positive supportive influences usually are a combination of parents, families, teachers, counselors, mentors, or role models in general.

A student's major will often be an important influence into their college choice. Many students will wisely look into the rankings of schools for what they want to do. In fact, Marcus, a current college student said, "When I was trying to decide which college, it came down to who had the best ranking for my major and what school was most affordable."

The schools themselves have extreme influence on whether a teen would like to attend. Some students want small campuses while others want larger ones with big sports teams. Some students like urban campuses while others want to be in a small college town. The cost of college is also important to consider. Most students interested in college noted factors such as the college's academic reputation, the jobs that the graduates get, financial assistance and the cost of the college ([Higher Education Resource Institute, 2010](#)). Check out resources like the [Financial Award Letter Comparison Tool](#) and the [College Scorecard](#) to help you consider college costs in your decision.

In the end, there are a lot of factors that affect a teen's final decision on where to attend college. Be sure to start early so you can thoroughly consider all your options and work with your school and other supportive college access organizations to consider this important choice.



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

NATIONAL DEBT

Christian Wilson

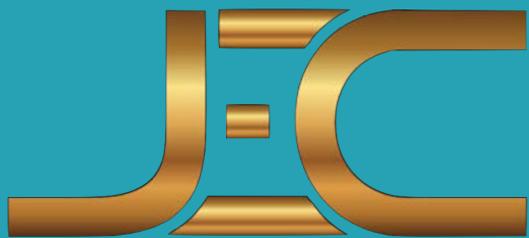
Today, Americans are faced with a bigger problem than just buying the newest iPhone before their friend does. The problem is our national debt. As of Aug 2019, the federal deficit was reported to be \$960 billion for the 2019 fiscal year before it is expected to grow to \$1 trillion in 2020 ([McCarthy, Forbes, 2019](#)). The overall national debt is now \$22 trillion ([NPR, 2019](#)).

An On the Money volunteer who works in Chicago as a commodity options broker states, “The two ways to lower the national debt are cutting government spending and raising taxes. This will decrease the yearly federal deficit, but may cause pain to the economy.” In the long term, there is concern that interest payments on the national debt will cause greater economic stress. In some ways, the national debt is similar to a college student using credit cards. In the near term, the student can buy the goods and services they desire. Years later, the student is still paying for the goods and services as well as interest to finance their consumption.

Why should teens be concerned about the national debt? Our volunteer says, “The United States is spending over 8.4% of its budget on interest payments on the national debt. That number is growing as the country continues to borrow money. Teens should be concerned with the national debt as they’re the generation that will pay for past spending. As they reach the age to vote, they should be mindful of politicians that promise large programs that increase spending and those that promise tax cuts that decrease revenue.”



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. Join us in building a generation of effective leaders.



CAN SOCIAL MEDIA HELP YOUNG ADULTS BE FINANCIALLY LITERATE?

Leah Freeney

Let's face it, social media rules our society. It's where we find out the recent news stories, the latest celebrity gossip, the current fashion trends, and even the funniest memes. Kaylan Moore, a recent college graduate from Eastern Illinois University, shared in a recent interview, "I was very busy in college so I never had the time to sit down and watch the news. So, Twitter was my go-to when it came to learning about all the new information, trends, breaking news, etc."

Social media plays an imperative role in how we live our everyday life. According to an Ally survey, **"80 percent of centennials and 74 percent of millennials say social media plays a role in what they buy and how they buy it."** That's a HUGE percentage of people! It would be great if that same percentage of people were able to also be financially literate.

Although this generation needs no help in the area of technology use, many of today's youth lack the necessary fundamentals to manage financial literacy. What is financial literacy? According to [Investopedia](#), financial literacy is "the education and understanding of various financial areas including topics related to managing personal finance, money and investing." In other words, financial literacy is important information that teaches you how to save, in-

vest, and manage your money. According to the Standard & Poor's Ratings Services Global Financial Literacy Survey, "only 33% of adults worldwide are financially literate. What this means is that approximately 3.5 billion adults globally lack a basic understanding of financial concepts."

Even though these aren't the best numbers, the good news is that we can change the narrative. Social media has the power to influence and inform. In a recent interview, Tiffany Walker—a social media manager for a local non-profit organization—stated, "Today's youth have so much essential information right at their fingertips. As a society, if we can inform more youth about financial wellness and investing, that could be so powerful, and it could tremendously benefit the next generation and lead them to economic excellence." For example, when asked what financial literacy she would share on social media, college student Moore stated, "My financial tip is to set up a bank account prior to college."

There are so many ways that people can help to be more financially aware via social media. As social media manager Walker suggested, "Find your talent and use that talent as a way to inform people about financial literacy via social media. Social media is literally a blank learning canvas."

VOLUNTEER GRANT & DONATION MATCHING PROGRAM

Hannah Levin

Employees are often interested in what benefits their job offers, such as health insurance, flexible hours, and retirement benefits. While these perks are attractive, some companies offer additional meaningful benefits including volunteer grant programs and donation matching programs.

Volunteer grant programs allow companies to donate money to a nonprofit organization based on the number of hours that their employees volunteer there. Donation matching occurs when companies match charitable contributions that their employees make to nonprofit organizations. These programs are becoming more popular now with “65% of Fortune 500 companies offering matching gift programs” (Erin Ehrlich, Double the Donation) and “over 45 percent of Fortune 500 companies offering volunteer grant programs” (Adam Weinger, Double the

Donation). Some of the big-name companies that offer these programs include Boeing, Google, and Nike. Ann Williams, Assistant Vice President of Community and Economic Development at Fifth Third Bank, adds, “We volunteer because we enjoy it and know it’s the right thing to do for our community and as a corporate citizen.” Lisa L. Cooper, State Farm Public Affairs Specialist, also commented on this saying, “We encourage State Farm agents and employees to turn their good intention into action and become involved with community organizations. State Farm provides resources like our Good Neighbor Grant and Good Neighbor Matching Gift programs to help support their involvement.”

Both volunteer grant and donation matching programs offer employees an added incentive to give back to the community and help those in need.



Thank you to State Farm Insurance Companies for their support of EAC youth financial capability programs and for hosting a meeting with their financial coaches and our interns at their Next Door community center.

One of the organizations that benefits from these programs is called Chicago Cares, a volunteer organization that works toward building a stronger, more unified Chicago. Cooper Packard, Manager of External Affairs at Chicago Cares, believes, “Companies that invest in Chicago’s communities are also investing in their employees’ professional development. By connecting passionate professionals to causes and building their civic leadership skills, corporate volunteerism with Chicago Cares can inspire employees to become agents of long-term change in the community.” Through organizations like Chicago Cares, it is clear that these programs make a positive impact on nonprofits.

These company donations give employees an extra incentive to volunteer while boosting teamwork and camaraderie in the workplace. However, many employees may not know that their company offers this benefit. Consider this benefit while exploring job opportunities by contacting the Human Resources Department of any future employers.

TRY IT OUT!

APPLY WHAT YOU LEARNED IN ON THE MONEY

1) On page 10, Andre Hardin highlights two savings products: money market accounts and savings accounts. Which product would you choose for your savings this year and why?

2) On page 4, Kyra Washington, talks about spending challenges in college and, on page 5, Christina Dennis discusses budgeting for teens. Visit simplebudgets.org or collegebudgetbuilder.org and create your own budget. Record your income and expenses below:

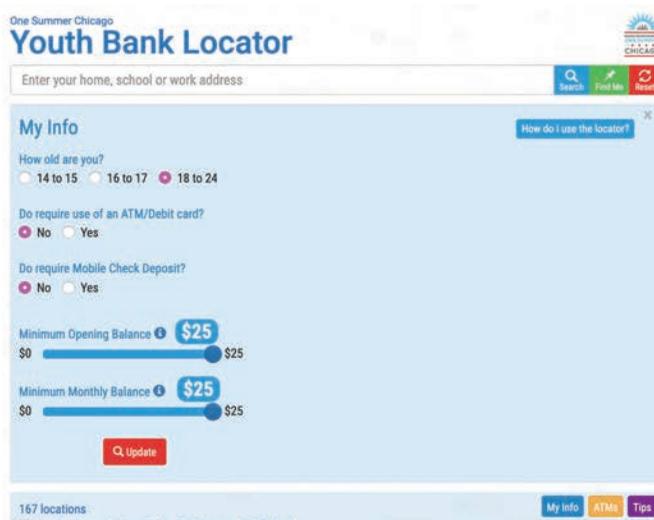
Income _____

Expenses _____



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