



ON THE MONEY

WINTER 2009



LOOKING FORWARD IN A BAD ECONOMY

PLUS: SMART MONEY/ FACTS ABOUT DRIVING BOOKS VS. VIDEO GAMES/ LOCAL JOB OPPORTUNITIES AND MUCH MORE...





Hello Readers,

This issue's feature topic is how to be "money smart". "Money smart" can be defined as responsibly handling your finances (money) by saving or investing. Most teens at some point of their life have been told about the importance of saving and

the options it provides for your future, whether you are saving for college or the latest trend that you must have. Being "money smart" has its perks: you'll never have to worry about having NECESSITIES and you'll have enough money leftover for your WANTS.

Although your parents are your primary provider, with today's economy it is essential to have a back up plan for yourself; meaning that you should strive to make your own money. Dream teen jobs nowadays are like finding a needle in the haystack, but there still are options. Even though you may not picture yourself as being a burger flipper, you can use this temporary position as a means to start your own savings account. Little steps such as saving your earnings from your first job are ways to get self sufficient and "money smart".

Since our last publication, a few changes have occurred. On behalf of being "money smart", *Teens Mean Business* took the initiative to rename our publication, it is now called: *On The Money (OTM)*. But do not worry our focus has remained the same; we will continue to provide you with interesting topics about money and coverage on the latest teen financially-related events. Such as the event that *Teens Mean Business* (now *On The Money*) held at the Carter G. Woodson library called *Get Real: Financial Decisions in the Real World*. This event was dedicated to giving teens the How-To's on financial awareness. (See page 3)

On behalf of *OTM*, I would like to thank you for your support and let you know that the doors are always open for your comments.

**Sincerely,
Manoucheka Airey,
*Teens Mean Business/On The Money Editor-in-Chief***



WINTER 2009

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About On the Money

On The Money magazine is written by teens for other teens. *On The Money* covers business, finance, credit, saving and more ... providing real-world experiences and resources that can help students learn to meet their money and career goals. *On The Money* is provided by the **Economic Awareness Council** through collaboration with **True Star Magazine** and the **Office of the City Treasurer of Chicago**, **Stephanie D. Neely**.

About the Economic Awareness Council

The Economic Awareness Council is a financial education non-profit organization that serves 5000 individuals each year with programming for students and families.

On The Money would like to thank **True Star Magazine** for their collaboration and shared content for this issue.

On The Money would like to thank **HSBC - North America** for their sponsorship of this issue as well as the **Office of the City Treasurer of Chicago** **Stephanie D. Neely** for their partnership.





By: Manoucheka Airey, Hyde Park Academy

What & Where?

The Economic Awareness Council along with the Chicago Public Library hosted *Get Real: Financial Decisions in the Real World* as part of the library's "Money Smart" week programming at the Carter G. Woodson library. The program focused on teaching preteens and teens about the importance of being financially secure. The topics of discussion addressed the pros and cons of fiscal decisions such as financial risks in investing, the stock market, savings bonds, Certificates of Deposit (CD), savings or checking accounts, and credit cards.

Who?

Tracy Frizzell, executive director of the Economic Awareness Council, was the presenter for the program. The presentation included a PowerPoint presentation, videos based off real situations, and audience interaction. The audience included members from *True Star* magazine, Chicago Park District, and a few walk-ins from the library. The audience was attentive and inquisitive after hearing that if you save \$4.50 per day from age 16 to age 65 and earn a rate of 8%, you will be a millionaire by age 65!

Why?

Credit was clearly the audience's favorite part as evident by the responses given by fellow attendees.

Darion, 16, a *True Star* intern stated, "I learned how to check my credit score," and Doneisha, 13, a Chicago Park District participant stated, "[I] learned more today about credit and how to save money." The attendees most certainly didn't leave empty minded or handed thanks to HSBC – North America and The Economic Awareness Council's sponsorship. The participants left with their own receipt box, reusable bag, authentic money confetti, financial booklet and their own crisp copy of *Teens Mean Business (now On the Money)*.

How Can I Get Money Smart?

Holly Clark, a Hyde Park Theory of Knowledge teacher suggests "Pay yourself first". Automatic withdrawals into a savings account are a great option for this.

A Few Tips:

SAVING - Make saving a HABIT! People who have a goal and plan to save - save twice as much as those who do not!
DEBIT - Keep your debit card in a safe place. Do not carry your PIN with you or write it on the card. Report any loss of your card immediately to limit your liability. Keep a record of all your transactions and review your statement each month. Using some ATMs will lead to a fee. Check ahead and know your bank's policy. Keep all your receipts to track your expenses.

For more information, visit:
www.econcouncil.org

A FEW WORDS TO KNOW

Frugal - to spend your money wisely, usually involving a small amount of expense.

Debit Card - a tool used to access a savings or checking account; Can be used to make deposits, withdrawals, pay bills or check your balance.

Deposit - to put money into an account in a bank.

Withdraw - to take funds out of a bank account.

Certificate of Deposit (CD) - a financial product like a savings account but with a set length of time you hold the product and a set interest rate.

Credit - Obtaining a product or service or receiving funds through a loan NOW and agreeing to pay for your purchases or repay the loan at some date in the future.

Credit score - A number that represents the quality of your credit and payment history. This score is used to determine your credit risk to lenders. Credit scores range from 350 to 850.

Current Balance (Credit) - The amount of money you currently owe to the bank or lender.

Minimum Payment - The least amount of money you must pay towards your bill or debt each month.

Tips and Definitions Courtesy of the Economic Awareness Council and Encarta Dictionary

True Star Magazine, the Economic Awareness Council, Teens Mean Business and the City Treasurer of Chicago have joined forces for Teen Biz.



**ECONOMIC
AWARENESS
COUNCIL**

College Counts Individuals with a college degree earn over \$1,000,000 more than those without a degree over their lifetime (US Census Bureau, 2002). Seniors: Don't forget ... now is the time to complete your FAFSA (Free Application for Federal Student Aid)! Learn more at the College Zone www.collegezone.com!



Office of the City Treasurer,
City of Chicago
Stephanie D. Neely, Treasurer

On The Money- *Your* Voice

Do teens typically have checking accounts? If so, how much money is generally held in the account? What types of things do teens save money for? These questions and more were posed to teens through an online survey with the results summarized below. Approximately 40 responses were obtained from Chicago teens with ages ranging from 13 to 18. Let's see what they had to say...

53% of Chicago teens have a checking or savings account

The most common reason for students to save was for college expenses.

The ways teens earn money was spread fairly evenly across summer job, part-time job, allowance, and gifts.

A large majority of teens (76%) felt that it was "very important" to save money.

A typical Chicago teen's bank balance is \$300, but one teen had saved \$15,000!

Getting a summer job was deemed "important" or "very important" by over 83% of teens. Further, 98% of teens wanted to "learn more about getting a job."

When asked what might encourage more saving, the most common response (63% of teens) was "learning more about the benefits of saving money."

Random drawing winner of \$20 prize: Antonio Martinez

Please go to WWW.OTMSURVEY.COM to take a new short survey for a chance to win a \$20 prize drawing.

Saving Matters...



Did you know that if you save \$4.50 per day from age 16 to 65, you will be a millionaire!*

*Assumes a return of 8% APR



HSBC - North America supports *On The Money*



Why teens should *Lose* the video games and *Find* a book...

By: Nicolas Guzman, *Brother Rice*

With a national recession taking place knowledge may be the answer.

Videogames, iPods, and shoes seem to play the center of teenager's minds and wallets. Sure, video games are fun and addicting, but how will this hobby pay off for you? What will this do for you besides leave a dent in your wallet? Nevertheless, how one spends money is his or her choice; there are just a few things one should know.

The video game market has been growing at a fast, constant rate over the years. In fact, according to NPD group statistics developed during January of 2008, just in the last year, video game purchases had gone up by over 40%. This is not a problem at all, but while the economy is diminishing, one should plan ahead for intelligence leading to success.

Unknowingly, when you read, you open up your mind to absorb vocabulary, and strong academic skills. Once you learn how to finish

a book, any goal will seem easy to you. You will also become a better speaker and writer. Sometimes, social status depends on how one speaks. Youths who can express themselves clearly will socialize more easily than those who cannot. Also, essays are the key for a student to express his or herself. When it comes to college applications, essays can make or break your admission decision. Also, if you read the right books, you may be inspired to earn the highest education possible. According to the

Individuals that have a college degree earn over \$1,000,000 more than those with only a high school degree over their lifetime - US Census Bureau, 2007.

U.S. Census Bureau, the average salary of people age 25-64 varies dependent upon the degree one earns. The average salary of a worker with a professional degree is significantly higher than one with a Doctoral degree.

The average salary of one with a Master's degree is higher than the salary of one with a Bachelor's, and the salary of one with a Bachelor's is higher than one with an Associate's. So, what inspires people to achieve higher degrees? Reading does.

While taking opinions from many video-gamers, who do not wish their names to be revealed, most said that social status did not bother them, and that school did not mean much. While interviewing Marcus Delgado, a motivated and studious student, he stated "I wouldn't mind to play a video game once in a while; but, but I have no time or desire for the activity." While taking the opinion of my English teacher, Eve Donnelly, she stated "While video gaming may indeed help foster creativity in teenagers, I would argue that it detracts adversely from their capabilities in their academic lives."

So how can a hobby with so many benefits be forgotten behind videogames and iPods? While music may have few benefits and video games might have no real benefits, the benefits of reading are uncountable. Books never have a negative consequence. All you will gain is knowledge and knowledge is power. So educate yourself because, whether you realize it or not, success may be dependent upon the skills that reading has to offer.

CAREERS ON DECK

TRUE STAR'S YOUTH CAREER DAY

BY MANOUCHEKA AIREY - Senior, Hyde Park Career Academy

Picture having a conversation with the epitome of your aspirations and yet they are just your age. That was the gist of the True Star Careers on Deck event: to motivate the youth into getting an early start by showing them that anything is possible. The event, sponsored by Harris Bank and East West University and planned by teens from Harlan High School created an opportunity for youth to interact with those currently thriving in their future careers and featured the likes of Dr. Farrah Gray and Jasmine Lawrence. Jasmine Lawrence, the President & CEO of Eden Bodyworks, and Dr. Farrah Gray, entrepreneur, are both young moguls and role models of success.

The opening speaker for the event was Dr. Gray, who began his ventures when he was just six years old. As soon as Gray approached the stage, he had the crowd engaged with his charisma and stories. It was apparent that Gray's story left a lasting impression by the change in the crowd's demeanor once he was finished.

Gray and Lawrence were not the only role models present. The event featured many other influential professionals. These professionals held panel sessions divided into their industries varying from Entrepreneurship, New Media/Technology, Entertainment, Law Enforcement, as well as Marketing and Advertising. During registration, students choose which fields suited them best and branched off to their assigned panel to receive expert advice for their



future. After the panels were over, Lawrence gave the ending speech, and it was now time for the best part—the performances featuring Chicago's own Gemstones and a step routine.

Everyone had his or her different views about the overall event. Melody Howard, a True Star employee, stated, "It was a lot of valuable information.... Overall it was good, True Star's event planning team did exactly what they were supposed to do. They went through hardships and still got everything done." Before heading out the door, Lawrence expressed her excitement about Careers on Deck, stating, "The event today was amazing. I'm happy that I was able to encourage and inspire so many kids that were my age and even older to find their passion and live their dreams...I know that their lives will be changed by what happened today." A lot of powerful things occurred within those four hours, but one thing was for certain—at least one teen was touched by the event.

↑ JOBLESS IN CHICAGO:

↑ TEENS AND THE ECONOMY

BY STEPHANIE MOORE
Junior, Lindblom Math & Science Academy

Everyday is the same. I sneak on to craigslist.com during class to apply for jobs, but every single time I jump on my email the next day, all I get is SPAM. On my way home from school, I make a habit of stopping by spots around my crib to apply for jobs, thinking that someone, somewhere in our great city of Chicago has to need my help. But nobody ever hits me back.

↑ NOT EVEN MCDONALDS!

↑ After months of the same, my hope for someone to call has just about disappeared. It's gotten so bad, I don't even bother trying anymore.

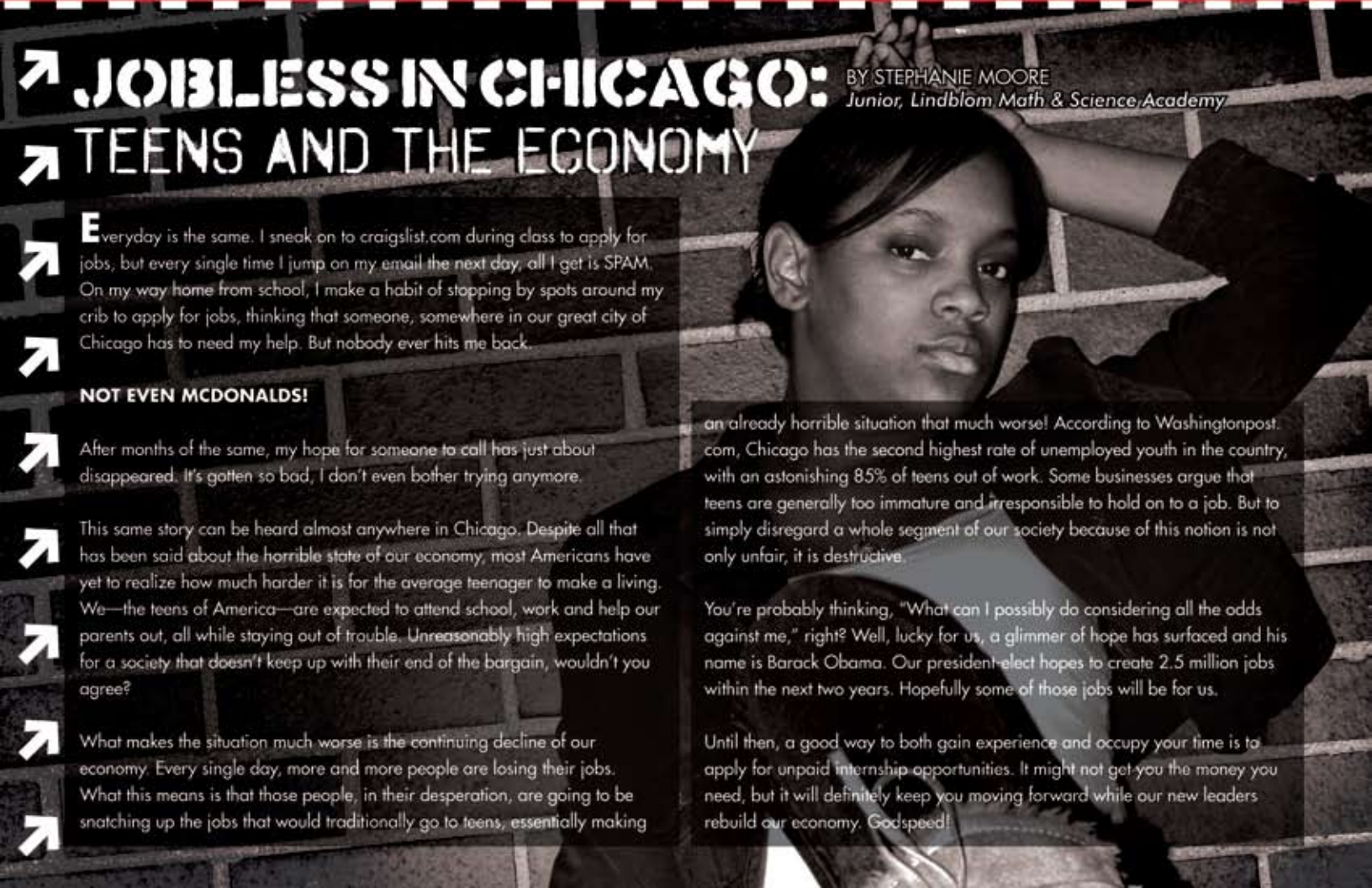
↑ This same story can be heard almost anywhere in Chicago. Despite all that has been said about the horrible state of our economy, most Americans have yet to realize how much harder it is for the average teenager to make a living. We—the teens of America—are expected to attend school, work and help our parents out, all while staying out of trouble. Unreasonably high expectations for a society that doesn't keep up with their end of the bargain, wouldn't you agree?

↑ What makes the situation much worse is the continuing decline of our economy. Every single day, more and more people are losing their jobs. What this means is that those people, in their desperation, are going to be snatching up the jobs that would traditionally go to teens, essentially making

an already horrible situation that much worse! According to Washingtonpost.com, Chicago has the second highest rate of unemployed youth in the country, with an astonishing 85% of teens out of work. Some businesses argue that teens are generally too immature and irresponsible to hold on to a job. But to simply disregard a whole segment of our society because of this notion is not only unfair, it is destructive.

You're probably thinking, "What can I possibly do considering all the odds against me," right? Well, lucky for us, a glimmer of hope has surfaced and his name is Barack Obama. Our president-elect hopes to create 2.5 million jobs within the next two years. Hopefully some of those jobs will be for us.

↑ Until then, a good way to both gain experience and occupy your time is to apply for unpaid internship opportunities. It might not get you the money you need, but it will definitely keep you moving forward while our new leaders rebuild our economy. Godspeed!



COSTLY DRIVING



By: Manoucheka Airey, Senior, Hyde Park Academy

Picture this, it's your 16th birthday, mom says she has a surprise for you then leads you to the garage. Your jaws drop as you lay your eyes on the new shiny car.

If you're so lucky to have this dream become a reality, you also need to think about what this really means for your safety and your bank account. According to the Centers for Disease Control and Prevention, "Young people ages 15-24 represent only 14% of the U.S. population. However, they account for 30% (\$19 billion) of the total costs of motor vehicle injuries among males and 28% (\$7 billion) of the total costs of motor vehicle injuries among females." At this rate, it is imperative that teens think about the risks and costs of driving before getting behind the wheel.

Risk/Cost #1: Driven to Distraction

Many teen crashes result from common scenarios such as driving with your friends in the car or cell phone usage because they can cause a lot of distraction. According to the Accident Analysis and Prevention Journal "The overwhelming majority of these [teen] crashes are caused by inexperience or distractions, not "thrill-seeking" or deliberate risk-taking." In this day and age of technology, it is hard to put these gadgets such as cell phones away even for a few minutes, but although it may seem that a 30 second text couldn't hurt, it only takes a few seconds to end up in a life threatening predicament.

“ The risk of motor vehicle crashes is higher among 16- to 19-year-olds than among any other age group. ”

Risk/Cost #2: Driving Under the Influence

Even if you had only one drink, once alcohol enters your system, the level of consumption can be detected by a test of blood alcohol concentration/ content (BAC). A BAC is the measurement of alcohol in your blood stream by a milligram percentage. In Illinois, if your BAC surpasses .08 and the police pulls you over you will have to pay a fine and face going to jail. Most importantly, driving while under the influence puts these teens as well as their passengers' lives at high risk.

Risk/Cost #3: Failing to "Click It"

Whether you are the driver or passenger one key thing to keep in mind is to always wear your seat belt. Regardless of how short the distance of the drive or how good of a driver you may be—seatbelts prevent many deaths. According to the Centers for Disease Control and Prevention, "Teens have the lowest rate of seat belt use. In 2005, 10% of high school students reported they rarely or never wear seat belts when riding with someone else.", and 3 out of 4 teen drivers killed in motor vehicle crashes after drinking and driving were not wearing a seat belt. Although it may not seem cool to wear a seatbelt, it is a safety precaution that may save your life.

ALCOHOL CONSUMPTION AND DRUG USE ARE THE LEADING CAUSES OF ACCIDENTS WITHIN THE TEENAGE YEARS.

COSTS OF DRIVING INJURIES



(\$19 BILLION)

- MALE TEENS
- OTHER MALES

IN THE KNOW

1. In *Why teens should LOSE the video games and FIND a book* (pg4), Nicolas Guzman says that individuals with a college degree earn on average over _____ dollars more than those that do not have a college degree? Education pays!

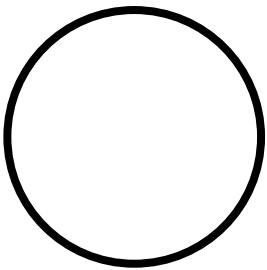
2. Manoucheka Airey profiled *True Star's Careers on Deck* (pg6) conference and highlighted a number of careers open to young adults today. Select one career that interests you and go to WWW.BLS.GOV/K12 to learn more about that career. Answer the following questions:

A) What do you need to do to get this job?

B) What do people who have this career do at work?

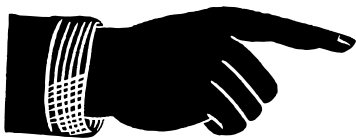
C) How much do people with this career make?

3. From *Jobless Teens* (pg6), what was the rate of jobless teens in Chicago? ____ (Find this statistic. Fill in this number. Draw a graph to show this percent on the circle below.)



4. List 2 things teens can do to help them find employment in a tough economy.

5. In *Money Smart* (pg3), teens learned that if you save \$_____ per day from age 16 to 65, you would be a millionaire by age 65.



Enter to win a \$25 Savings Bond!
Participate in the Get Real Money Smart Essay Contest. Visit www.econcouncil.org for contest details.