Planning for Pecuniary Prosperity

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Benjamin Franklin said in his essay “The Way to Wealth”, “If you would be wealthy, think of saving as well as getting.” My father, a seasoned investor and former chief financial officer, knows the importance of saving, monitoring spending, and making wise investments. He taught me to be fiscally savvy from early childhood. When I received my first allowance at the age of six, I had to put ten percent into a box as savings and the leftover money could be used for spending. As I grew bigger, my allowance did as well, but I continue to save ten percent of it to this day. My financial goals are to set aside a portion of my earnings throughout college, invest sensibly in real estate and the stock market, and maintain good credit throughout the next five years and beyond.

My goal for higher education is to go to college immediately after high school, preferably at a four-year private university. Because tuition at private schools can be considerably more expensive than at public schools, I will look for ways to help my parents finance my education. I would like to get a full-time job during the summer, either a paid internship at a corporation or a paid internship in political affairs, so my job interests me, but does not interfere with my schoolwork. All of the money earned at my job, in addition to the ten percent saved from my allowance, will go into my college fund. I will also apply for merit-based scholarships to lessen my parents’ financial burden. When I am in college and have paid my tuition, I will continue to work a part-time job as my schedule permits and save the money for after college needs, like rent for an apartment or payments on a car.

I also intend to invest a portion of my earnings. The first of my investing plans is already underway. My father, stepmother, sister, and I are combining our money and forming a family LLC, or Limited Liability Company. We have leveraged the equity in order to pay for it. My family and I are purchasing land and a building and then leasing the building out to a restaurant. There is some risk involved; when I enter the LLC, it will be registered and notarized by a public office; therefore I will be, for all intents and purposes, bound into the agreement. Also, the restaurant has the option of not renewing their lease when I will be graduating college. Although, this risk is significant because I would not want to lose my investment at the same time I am looking for a job and a home, the company still may decide to renew their lease. In that situation, the good return on my investment would negate the risk. Another advantage is that there is significantly less bookkeeping paperwork to manage with an LLC, so it will not overwhelm me combined with my coursework. I also plan to invest in the stock market when I am at college two years from now. The stock market is also a risky investment, more so than the LLC because you have less stability for your investment and you must have the foresight to predict changes in the economy without numerous indicators. Two of my strengths are predicting trends, especially in the retail market, and monitoring changes over time. Studying past trends is crucial to predicting future ones and I plan to monitor my investments closely and exercise them sagely ("Business Organization").

Thomas Jefferson once said, "Never spend your money before you have it." In spite of Jefferson's erudite advice, the average credit card debt of an undergraduate student is $2700, according to *Young Money*. It is very easy to go into credit card debt at college because students are away from home with unfamiliar people and they are experiencing financial independence for the first time. There are several ways to prevent this, however. I received a credit card on my sixteenth birthday, so that I could start establishing good credit early. I always pay my bills on time and I never charge more than I will be able to pay for by the due date. I also monitor all of my spending online and in a register, so that I know exactly how much I have available for spending and the balance on my credit card. My parents put my allowance in a checking account and I try to use personal checks or a debit card when I can, so I do not run the risk of overcharging my credit account. Over the next five years, I will continue the prompt payments, monitoring, and meticulous recordkeeping, all of which are necessary to maintaining a good credit score and staying out of debt (“How to Establish, Use, and Protect Your Credit) .

Over the next five years as I attend college, I plan to become financially independent, and not only to spend and save money, but also to make money through good investments. Fortunately, I have already had some experience with saving and minor investing and it has prepared me for the self-sufficiency that will be necessary in the near future. I will be managing my own money and property without my parents, but with their excellent past examples and their continued guidance, I will be successful in accomplishing all of my goals. Although being financially savvy requires a lot of time and dedication, the fiscal prosperity it secures lasts a lifetime.

-Jessica Rogers

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