

Living by the Ledger

By
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The future seems to be a long way off, but when I think about it, it is much closer than I realize.

When thinking about the daunting financial challenge the future will bring, I find comfort in knowing that I was raised with the understanding that saving in the present makes it possible to spend in the future. I was seven when my parents bought me my first ledger; this is where I learned to keep track of my hard-earned money. Using the lessons about saving that I have learned from my parents and the EverFi course, I know I will be able to withstand the financial undertaking of my future.

I was raised in a home where we didn't receive the newest gadgets and the most stylish clothes, because what we possessed was sufficient. I was taught to save my income for a rainy day and to never purchase anything that I was unable to pay for. This ideology will serve me well in the future, because college, weddings, and children are very expensive. Ideally, in twenty years, I will be a certified public accountant in a town like the one I grew up in, earn roughly \$70,000 per year, and be married with three children. Using the saving and budgeting methods I learned from my parents, I will be able to fund my wedding without the assistance of others. My spouse and I will both work and save for several years—long enough to build a strong emergency fund and a savings account able to support a family—before we have children.

I will budget my future household similarly to how my parents have managed ours: don't spend what you don't have and as my dad likes to say, don't try to "keep up with the Jones's". A key component to making this possible is looking at everything from a "need vs. want" perspective and

setting the “wants” aside until the “needs” are accounted for. I won’t drive the newest car, wear the fanciest clothes, or carry the most recent cell phone model, but I will not be in debt because I will spend my money on needs rather than on frivolous wants and desires. Debt will also be avoided by not purchasing anything that I don’t have the money for, avoiding loans when possible, paying all bills in full on time, and keeping an emergency fund for when life happens.

Ever since my parents bought me my first ledger, I have made sure I balance it, and whenever I have an increase or decrease in cash, it gets recorded. When I am an accountant, work will consist of these same things. By managing my money and setting aside a percent of each paycheck, I will, one day, be financially able to fund my future and make certain it is debt free. Budgeting and saving is the only way to reach my financial goals, and the easiest way to do this is to live by a ledger.

Part 2: Real World Application

This fall, when I arrive on the campus of Kansas State University to continue my education at the college level, I will continue to use the lessons that I have learned throughout my childhood to be financially stable. I will always save portions of my paychecks and I will never purchase anything that I don't have the money to pay for. By using these same money-saving and debt-avoiding techniques, my father fully funded his education; however, college prices have risen substantially since 1986, and making it through school without debt is nearly impossible.

As a sophomore, I watched my sister study to raise her ACT score, work, and fill out every scholarship application possible to fund her future education. This made me realize that it would be wise to begin researching ways to make my college more affordable. My parents and I have been saving for years, and I realized that I would be able to exponentially increase my share of savings by getting a job. I began working at Dillons a few months after my sixteenth birthday and have been working there ever since. I also generate additional revenue by babysitting. My school offers a course entitled ACT Prep, and as a junior I took it in hopes of increasing my score, which in turn would increase the scholarship money used to fund my education. I took the ACT eight times during my four years of high school, and through this class and work on my own, I raised my freshman score of 23 to a score of 31.

Sophomore year was a busy year for me, as it was the year I decided what future career would suit me best. I took an accounting class to broaden my horizons and I loved every minute

of it; I found great satisfaction when each column balanced. Accounting is a profession that is in demand with a median annual income in 2016 of \$68,150. The need for accountants will increase by 10% within the next ten years, which is faster than other professions (Bureau of Labor Statistics). 90% of Kansas State accounting graduates have job offers prior to graduation, and 60%-70% have completed internships as well (Courses). After deciding that accounting was the path for me and that K-State was my school of choice, I began searching for concurrent classes that were available to complete through my school. Over the last two years, I have taken concurrent courses and passed AP tests and will enter Kansas State with 23 credit hours.

In the long run, raising my ACT score and taking classes for concurrent credit will save thousands of dollars in tuition; however, this does not mean that I will stop working and saving to further fund my education. With my high school athletic career coming to a close last week, my weeknights and weekends are now open for me to increase my work availability. Working while in high school teaches responsibility and time management, which better prepares students for the rigorous schedule that college will present them with (Tutors). As the longevity of my Dillons tenure has increased, I have risen to positions with greater responsibility. With these positions, I received a raise which increased the rate at which my college saving account has grown.

When many teenagers receive an increase in income, an increase in their spending often follows. I am fortunate to have been taught the value of a dollar and the importance of saving, so that this increase in income will grow my savings account for college, not my expenses. Each and every dollar, whether it comes from working or from scholarships, makes a difference when it comes to paying for books, tuition, meal plans, or housing.

Even with many completed credit hours, money from scholarships, working, and a little help from my parents, student loans are a likely part of my future along with many students across the country. A recent survey stated that “Americans owe over \$1.48 trillion in student loan debt, spread out among 44 million borrowers” (U.S. Student Loan Debt Statistics). My goal is to avoid resorting to student loans as a method of funding my education; however, I do realize that there are both benefits and drawbacks to taking out a loan.

When people hear the words “student loans”, many think about the negatives before the positives. One such negative is that “the longer you wait to pay off the loan, the more interest you end up paying” (Fay). Many student loans take years to pay off, and with each month’s payment, interest is also paid; this extra money out of your pocket takes away money that could be put toward greater purchases such as a vehicle or home. Making these large purchases can also be aided by the possession and consistent payment of student loans. One positive outcome of student loans is an increased credit score. A good credit score is built and improved when loan payments are paid on time and in full each month (Fay). If I take out a loan to finance my education, I will be sure to exploit the benefit of an increased credit score by paying each bill in full and on time.

I have done everything in my power to be financially prepared for my future, but the task ahead is daunting to say the least. I have grown up saving money and taking part in wise financial practices, and I will continue to utilize them in my future. I will also utilize the lessons I learned through the EverFi course modules. If student loans are a part of my future, I will pay them on time and in full each month and allow them to benefit my future by increasing my credit score. As college draws near and the future becomes increasingly more eminent, I will remain true to my upbringing’s financial philosophies and continue to live by a ledger in order to ensure financial success.

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