

2014 Scholarship-Earning Essays

What can you do to help yourself become financially literate?

Financial literacy is knowledge gained about financial matters. I have been learning about money matters for several years to prepare for life apart from my parents. Financial literacy is like any other learning, an ongoing process, yet I am aware of several sources for that education. I have watched and been instructed by my parents over the years in financial matters. I have also used other tools to become financially literate. I have taken classes for credit, participated in the family budget plan, and joined the credit union's Foolproof program which informs people about wise money management.

As a high school senior, I am currently enrolled in an economics class. This class has helped me to see the larger picture of trade and economy. The knowledge of supply and demand can build an awareness of prices and interest rates. As an online student I have taken a college math class that included practical aspects of money management. It addressed debt and interest rates. I learned about compounding interest and loan rates. By taking this class, I feel prepared to navigate the loan process, first to finance my education and in the future to help me with my dreams of owning a home. It is my goal to avoid the overload of debt. The instruction also informed me of evaluating loans and their offers. Because the credit union was founded on service, I know that the interest rates for loans will be more reasonable for a working person than at any other financial institution. I have seen the benefits of membership in action. My brother, who is newly married and living out of state, was able to secure a newer vehicle based on the benefits of membership to the credit union. I am certain these benefits will be availed to me exactly when I need them.

My participation in the family budget process has prepared and execution has prepared me to live under my means. A budget allows one to see all income and expenditures in compact form. Budgets do change with increases in income or expenditure but should never be consistently in the negative of the income. Savings built in to the budget allows for rare fluctuations. A budget will allow me to save for the future and for unforeseen expenditures such as car repair. I have investigated that my credit union has a feature called my Dashboard which allows me to plug in my income and expenditures to manage my cash flow.

To figure out how to navigate all the decisions about money presented in our media, I have used my credit union's Foolproof program. The credit union is dedicated to financial education and the Foolproof program has helped me to learn the tricks used in our culture to trap young people. Advertising offers of fast money, the dangers of credit cards and the importance of sound financial decisions are clearly explained. So many young people enter the world unprepared to manage money. My classmates seem woefully unprepared to handle money and are in need of education. Education is clearly the way to be better prepared, and banks do not offer these types of opportunities.

I am thankful for the credit union for taking an interest in my family by suggesting that I apply for this scholarship, for providing opportunities to manage my money, and giving me the education I need to be financially successful in the future. I am confident that I can search any financial topic on my credit union web site and receive resources to help me understand it. This ensures my continuing education in financial matters. My goal for my future is to avoid the burden of crushing debt. The independent steps I have taken and the services provided by the credit union have given me a unique advantage toward reaching my goal.

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As a college student with only one year standing between me and entering the “real world”, I know that I will soon be faced with a host of new responsibilities and decisions. Many of these choices will pertain to my own personal finances – making it now more important than ever for me to build a strong foundation in my financial knowledge. Although finances can seem overwhelming to those with little personal experience in handling their own expenses, there are countless resources readily available to assist anyone in improving their understanding of the financial world. By becoming financially educated at a young age, one can ultimately increase the likelihood that they will benefit from financial stability throughout his or her life.

One of the best resources for improving my financial knowledge rests in the various career and finance offices found on my school’s campus. Throughout the year, different institutions offer seminars and workshops to improve students’ financial understandings and to prepare students for future financial obligations. The financial aid office also provides information on funding college education, handling student loans, and much more. The office has even developed a pilot program with the goal of improving financial literacy among students through educational courses on a variety of financial topics. The office’s website also includes links to many other informative sites that include matters such as creating budgets, tips for raising credit scores, and how to manage money and debt. All of these helpful resources are readily available for me, making it easy to become financially educated and successful.

While away from my college’s campus, I can continue to improve my financial literacy by utilizing the resources found through my own personal credit union. In the past, I have taken advantage of my credit union’s knowledgeable employees by asking them numerous questions about my personal finances and financial plan. I think it’s safe to say that all of these employees have far more experience in handling financial matters than myself and are therefore able to offer valuable advice. I have learned that it is always best to ask questions first, no matter how seemingly insignificant, so as to avoid future mistakes or confusion. My credit union also provides informative online resources, including financial tools and answers to common questions.

If I have exhausted the resources available at my college and credit union, I can always turn to the Internet for advice. A simple Google search of “financial literacy tips” pulls up millions of results – ranging in sources from reputable organizations to anonymous bloggers. The Internet is full of people wanting to give financial advice. While not all of these people may have the necessary credentials for dishing out financial tips, I can improve my financial literacy by critically sorting through the available materials. In my opinion, some financial concepts are confusing when explained verbally, so online sources that include images and video can help me to better understand these ideas through the use of diagrams and other imagery. The Internet also provides the benefit of reflecting the most up-to-date information and advice in regards to financial matters. Furthermore, I can easily find the answers to specific or minute questions through a simple search on a search engine, making the process of improving my financial literacy easy and convenient.

The final strategy I can use to improve my financial understanding involves two of the smartest people I know: my parents. While growing up involves gaining more independence from your immediate family, I believe that in the case of financial decisions, involving your parents or other family members often proves to be beneficial. My parents have extensive experience in handling financial situations and developing stable systems of personal finances. They can educate me on how to use a credit card and maintain a good credit score and when I should use loans and how to invest in stocks. I can also learn from their financial mistakes and make my personal financial plan stronger through their advice.

In order to improve my financial literacy to my fullest potential, I should use a variety of resources to gain a comprehensive understanding of the financial world and how it works. I should never hesitate to ask questions and I should take initiative in becoming educated on matters regarding my own personal finances. With some hard work and determination, I know that I can improve my financial understanding with the help of all of these useful resources and materials.

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One of the best ways I can prepare for my future is to become financially literate at a young age so that I can successfully achieve my personal goals and aspirations in life. There are several things that I can do to help myself become financially literate.

For instance, I will practice techniques on how to budget and save, take advantage of learning resources, learn how to maximize profits in the stock market, and learn from people who have already achieved their financial goals.

Budgeting and saving are the most important techniques to know for becoming financially literate. Warren Buffet, who is regarded as the most successful investor of the 20th century, is noted for his frugality. Although I learned budgeting and saving money at an early age, I didn't fully appreciate these skills until my freshman year at college when I had to put them to practice.

I apply the budgeting skills I know, such as setting priorities and purchasing what is needed like school supplies rather than what I might want at the moment like electronics or entertainment items. But I am also learning new skills like being resourceful with my money to achieve longer term goals, and buying products that appreciate versus depreciate. I maintain my savings account and on a daily basis, I look for ways to save money by buying used books, buying wholesale versus retail, and clipping coupons to use for fast food.

The credit union that I belong to in my community provides a great learning resource for becoming financially literate. It has an online tool for teens to learn how to establish and manage credit, use a checking and debit card, and save money. By this information being available as an online tool, it is convenient for me to stay connected to my credit union even when I'm away at school. During the summer, I can also take a class at Howard Community College that offers a financial literary class to high school teens and college students.

Being financially literate also means knowing about the stock market and how to secure wealth through investments. I took an investment class in my junior year in high school and I received an A. Aside from aviation, I really enjoy finance. There are many online programs where I can learn about investing. I plan to invest in companies that I know about, such as aviation related companies and then as my knowledge grows and I start to feel comfortable I will diversify my investments. It has been said that patience and discipline are required to be successful in "investing", but I think these characteristics are required to become overall financially literate and apply to how successful you will be in your general money management.

Additionally, talking to other people, such as mentors, professors and parents can help me become financially literate. For instance, my parents have taught me and continue to teach me about money. At a young age, they told me about three categories on managing money. I have already mentioned two of them, budgeting and saving. But the last category is charity. I believe being financially literate also means knowing how to give through philanthropy. Bill Gates is the most well-respected philanthropist of my generation.

I aspire to be a philanthropist and give back to the community. Prior to high school graduation, I benefited from participating in a career camp called the Aviation Career Education camp (ACE) for youth. After I graduate from college, I will have a background in Aviation and Business and I plan to use the resources that I will acquire through budgeting and saving toward my aspiration, which is opening my own (ACE) camp for youth. Albert Einstein said, "The value of a man resides in what he gives and not in what he is capable of receiving." But essentially for me to be in the position to give back in the future means that I will start preparing myself today to be financially literate, that is, practicing techniques on how to budget and save, taking advantage of learning resources through the credit union, learning how to maximize profits in the stock market, and learning from people who have already achieved their financial goals.

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Financial Literacy: a phrase at which most college-bound teenagers cringe. While the phrase may evoke the seemingly endless parental lectures of “growing up” and “real responsibility,” financial literacy is a tool valuable like no other, a tool that can change a teenager’s upcoming life if understood correctly. While two-hour lectures from a 1980’s school video may not be the choice of many young people, there are many new techniques and methods that can make understanding money, savings, and other financial topics, dare I say it, fun.

The most fundamental problem with learning new skills entering adulthood is the sheer lack of connection to teenage life. Most teenagers are only interested in their local sports teams and the latest episode of *The Walking Dead*, and therefore stepping into important, potential life altering discussions isn’t always the easiest transition. Personally, I have found the greatest assistance to engage and involve myself in serious skills such as financial literacy is to bridge the gap between my interests and the important topic at hand.

In the case of financial literacy, I have much of the difficulty taken away from me, since finance is very close to my personal interests. Going to college to major in economics, I have spent the majority of my high school reading economic theory and learning about all realms of philosophy. Having an interest in economics, I can decide to apply my studies of microeconomics to my personal life. I can choose to learn about the stock market, investing, and forms of credit through my knowledge of interest rates and investment in the economy. The possibilities and connections are endless when looking to connect my interests to financial literacy. Now, I understand that my personal example is probably not ideal for most people my age, but the method is the same. A senior who is interested in sports can begin by studying sports statistics and salaries, or an artist can study how to begin saving by managing the costs of hosting an art show, the possibilities are endless for everyone. The key is to find what interests you already have and then find a way to intertwine that into important topics.

Once I have found my motivation for becoming financially literate, I now have the difficult task of finding the correct avenue of study. For me, I enjoy creating and editing videos; therefore YouTube would be the best route. Online videos hosted on sites such as YouTube are possibly the best path for learning financial basics for beginners. With short durations and entertaining cuts and visuals, many online videos can give a quick burst of knowledge that both entertains and resonates with the short attention span of a teenage mind. Besides simply hosting videos, the Internet has various other avenues for picking up financial skills both directly and indirectly. Many online sites have group activities such as “Fantasy” sports competitions, in which teenagers can learn value of savings to trade for the best possible team when game-day arrives. There is even a “Fantasy” stock market game, where numerous friends compete to gain the greatest profits in a digital stock exchange!

While the Internet can easily bridge the gap between my personal interests and financial literacy, the easiest and often most beneficial avenue is right in my own town. I can often ask my parents or teachers for advice involving key skills such as being financially responsible, learning how to fill out forms, or how to write checks and make payments. Besides staying in my inner circle, I can go visit my credit union or even local bank to ask questions involving my financial future.

Learning any skill can be extremely difficult, but some simply are too important to miss. Financial literacy is possibly the most fundamental skill I can have, going into college where I will be purchasing books and juggling numerous other costs and responsibilities. Thrown into a new world of increased responsibility, it is important to understand key financial techniques to keep myself afloat. The 21st century offers numerous avenues including videos, Internet activities, and local communities that can aid me on my journey for financial knowledge; it is up to me to intertwine my personal interests with learning financial skills that can pave the way to my future.

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One of the most important skills in today's time and age is the ability to understand and manage money. Just 13 years ago, I remember the distinct feeling and smell of holding my entire paycheck in my hand. I'm not talking about the one piece of paper that you take into the bank, but that green stuff called cash. Now, I have no idea what my paycheck feels like. It's nothing but digits in an account somewhere out there. Unlike before where I regularly used physical cash, now things have gotten a little more complex as transactions are digital and invisible.

Since transactions rarely involve physical cash these days, people easily spend thousands of dollars a month without actually feeling it. That's a little scary to me, because not only do you need to be concerned with keeping track of your check, but you also need to understand a little about cyber security to protect against theft. To handle all of these complexities around money, I have taken the initiative to learn a little bit about financial literacy. One way that I have educated myself is by taking classes that teach me about financial math. In a personal finance class I learned about mortgages, budgets, and investing. To have some fun, in my spare time I found games such as the one offered by Investopedia that teaches you how to make calculated decisions when each path will require loss. Hungry to understand interest, I read multiple articles on understanding ordinary annuities and annuities due. To better get a grasp of my retirement account, I requested to meet privately with a representative from the financial company holding my account to learn about the different ways I could invest my money.

The hardest disciplines that I've found are spending on a budget, practicing long-term growth, and controlled spending on credit. One of the ways that I learned about properly using a credit card is by listening to experts who tell you to only spend what you can pay off by the end of the billing cycle. Practicing this has increased my credit score. Getting good at this, I've been able to take advantage of cash back deals and use those benefits as a separate savings account. I used to think credit was evil, through educating myself by researching different cards and benefits, I've learned that it's important to keep in mind that you have to pay back what you spend, and that shopping around for a card is important before signing up.

Needing to keep track of my household spending, I found a free open source accounting program that allows me to keep track of all of my monthly expenses as well as checking and savings accounts. This has allowed me to keep a watchful eye on the inflows and outflows of my income. I spent some quality time reading the online manual and learning about important accounting terms. This software has been a useful tool in helping me manage my household budget.

Lastly, I learned about the importance of understanding the different benefits each financial institution has. After researching about banks and credit unions, I decided to open long-term savings accounts in two credit unions because I know my money will be safe. What's great about credit unions is that you don't have to worry about random fees or hidden fees. Just as important, I was able to take advantage of low interest rate auto loans. Because credit unions are smaller and can focus on the customer more than traditional banks, many offer seminars that teach on important subjects such as identity theft, managing credit cards, and how to budget. To better educate myself more on credit unions, I can visit the NCUA website to research any credit union in the nation as well as take advantage of the wealth of information offered on their website.

I have outlined the many different ways that I have educated myself to improve my financial literacy. Managing money is no longer just about learning how to balance your checkbook. To be financially literate, you must also learn about cyber security and how to safely spend your money without risking the chance of theft in today's Internet dependent world. I also pointed out the importance of researching financial institutions and taking advantage of their educational resources. Due to the plethora of these resources available, I am confident that I will be able to continually improve my financial literacy skills.

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There are numerous resources available to help college students become financially literate. The most valuable to me, up until this point, has been taking the Personal Finance course that my university offers. It was taught by one of the Accounting and Finance professors and covered topics such as budgeting, automobile and home purchases, investing, career planning, taxes, banking, insurance, and managing credit. I even kept my textbook so that I can refer to it as my life continues.

A rather easy thing that makes a big difference is to start reading articles relating to business and finance. Purchase a financial journal, peruse through the library's subscriptions, or simply scan the newspaper headlines. Whether the content covers the day's stock market changes, events related to specific companies such as mergers or fraud, or new government regulations, everything helps to familiarize oneself with the vocabulary, practices, and mindsets of the financial environment. At first it can all seem very daunting, but it does not take long for things to become clear.

Another great method to increase financial literacy is to speak with adults and gain from their years of experience navigating the financial world. Parents, grandparents, professors, employers, local business owners, and others are often ready and willing to share their knowledge and impressed by an active desire to learn about a difficult topic. Ask them questions about a bewildering concept, for their opinions on current financial events, or, if they are willing, to share a bit of their own financial history.

Often college students are completely unaware of the true cost of living, as they may live in campus-provided housing or at home, eat in their school's cafeteria, and mostly make discretionary purchases. A great thing to do is to start researching what a normal budget would be for a young professional. Find out what it costs to buy or rent a home in the city where you would like to live. As far as transportation goes, compare the costs of gasoline and auto maintenance to using the public transport system. Consider expenses such as food, insurance, entertainment, and loan repayments. If one already knows what to expect ahead of time, there will be less shock and stress when the time comes to actually start making these purchases.

An eye-opening exercise that I have done is to track every expense for a given period of time, be it just for a week or a couple of months. When I saw how much I spent on different types of expenses, it showed me what I hold to be more important, that is, what I am willing to spend more money on. It also can alert one to the fact that they have been spending a lot of money on something they do not really care for. In a society where credit cards are used for everything, it can be surprising to see how much little, spur-of-the-moment purchases can really add up. This also helps to create a realistic budget, as one's history of spending in certain areas is readily available.

Attaining financial literacy may appear to be an insurmountable goal, but with time and determination it is easily achievable. Take classes offered by your school and start familiarizing yourself with financial literature. Discuss the topic with experienced adults and get to know your personal situation by discovering the price of your desired lifestyle and your current spending habits. Before you know it, you will navigate the financial world with ease.

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What can you do to help yourself become financially literate? But what does it mean to be financially literate? Financial literacy is basically the skills and knowledge that allows someone to make logical, informed decisions about their financial resources.

You also have to understand that finances are a tool to be used that can enable independence, security, the ability to help others, and a way to educate. So how do you learn this? There are the simple ways that anyone could learn to be financially literate, like taking finance classes or asking financial advisors for their insights / recommended reading. These two things would give anyone the basic knowledge to help them make educated decisions about their financial goals.

I first learned about finances when I took an accounting course in my junior year of high school. We learned about the basics of finances and their applications. One of the class projects was running a virtual store using our knowledge of finances to earn a profit and stay in business longer than the others. For that we had to know things like budgeting, production and overhead costs, pricing, and inventory/ stocking. We also learned about assets and expenses in the business world and how they relate to personal finances.

One other financial experience I have had is setting up my savings and checking accounts and putting money into them. But where, a bank or a credit union? A credit union was more the reasonable choice for me since I was just starting. Why? Because they have lower costs for their services, had convenient hours, and plenty of outreach / materials that I found helpful. I set up my checking and savings to better manage my monthly expenses and to save for the purchase of a car. My only income early on came from Christmas and birthday gifts, and then I started working at McDonalds and really started learning about things like: taxes (State and Federal), returns, social security, cash inflow and cash outflow. How little one could make and how fast it disappeared. I am only making about \$7.80 an hour and it is gone as soon as I cash the check it seems.

As I started a new chapter in my life at Carroll Community College, I wanted to expand on my financial understanding and follow the advice from my Dad. He provided some guidance about graduating both 2 year and 4 year degree programs with little to no college debt and to enter the professional workforce with a freedom that being debt free would allow. Recently I took a financial course and got a better understanding of what I had learned back in high school. We still went over the basics: assets, expenses, cash flow, etc., but we took views on personal as well as business financial situations in this course. There I learned more about specific investments like mutual funds, bonds, and stocks and the pros and cons of each one. For example, bonds steadily increase in value over time, but they have to sit for set amount of time or there is a fee for using it early. One of the most important things we did in the course was learn to set goals and retirement planning. They were important to me because I had not heard of either one in my high school class, only through what my parents had explained. Setting aside funds for retirement now seemed ridiculous to me but after seeing some of the problems people face I am looking forward to starting a long-term slow growth retirement plan as my finances and college expenses allow. My parents made a point of telling me to pay myself first, to make sure I save and invest as my financial maturity grows.

Now how do I use finances as tools? Currently I use my extra finances for: maintenance on my car (gas, parts, and the insurance), entertainment (books, music, and games), phone bill, and charities/projects. In the near future when I am on my own, I plan on using my finances for rent, insurance(s), furniture, and food. Hopefully way down the road I will be able to finance my own home, family, college accounts for any kids, and finally my own retirement.

Now all that is just the knowledge part of financial literacy, but knowledge is not everything. Financial literacy is also the skills or abilities needed to make the decisions. These skills come with time and repetition, but what are the skills in financial literacy? Some of these skills might be: patience, stress tolerance, and planning. Why patience? Patience is needed because almost everything in finances is volatile. When dealing with investments, you have to be patient and wait for things to get better, but you also can not be too patient and know when to let it go (planning for such). Now where does stress tolerance come into play? Stress tolerance because again financial investments are volatile and can fluctuate drastically. So you have to decide your investments on how much stress you can handle watching the stock prices skyrocket and then sink so low again and again.

So financial literacy is many things and is important to gain success living happily in this era. It can be learned and practiced thru out life, it is used to get what we need, what we would like and to aid us in helping others. Being financially literate and using that knowledge is as important as the collage education that will enable me to earn the funds to use that knowledge.

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Financial literacy is an undeniably important skill. I can help myself become more financially literate by educating myself, creating a budget, and saving. As I have grown older, it has become a skill that I am constantly learning to improve, and it is becoming even more important as I am close to leaving home to go to college.

I have been a member of a 4-H Club since I was quite young, and a motto of 4-H is to “learn by doing.” I think that is one of the best ways to improve my financial literacy; putting into practice the basics of what it means to create a budget, save and invest. As a younger member of my 4-H club, I had the opportunity to serve as our club treasurer. I worked with other kids and the leaders to create a budget and would write checks and balance the treasurer’s book each month. This experience first introduced me to financial literacy.

As a student, educating myself is one of the most obvious and simple ways of achieving financial literacy. In high school I have the option of taking personal finance classes that teach the basics of financial literacy and as I enter college in the fall I can take economics courses that delve deeper into the principles of finance. Education can also happen in a less formal manner through reading the literature distributed by my local credit union or something as simple as reading articles on the Internet.

Learning to develop a budget is also a skill that is incredibly important at this point in my life. As I begin at a university, a time not-entirely-jokingly referred to by many as their “broke college kid days,” having the knowledge to create and sustain a budget will be of vital importance. I believe that experience is the best teacher; so working to create a budget that takes into account all of my necessary expenses and then doing my best to stick with it, will teach me financial literacy in this arena. My parents introduced me to this basic idea of financial literacy as a child through providing me with an allowance and expecting me to spend and save it as I needed. Next year, it is important that I consider how much money I will have coming in each month and how much I should be saving, along with how much my nonnegotiable needs are, in order to determine a spending budget.

As mentioned, saving would be a necessary component of a budget and is another component of financial literacy. In order to be truly literate in finance one must first have a solid grasp of the importance of saving. In order to be financially stable monetary savings are important in case of unforeseen circumstances. Maintaining a savings account at my credit union enables me to practice financial literacy by learning to save money for larger purchases and when unexpected expenses arise.

I hope that further hands on interaction in budgeting and saving, coupled with an increased interest in learning about finance I will be able to help myself to become more financially literate.

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Around a year ago, I had this brilliant idea to make money that would help pay for my college tuition: I was going to invest in stocks! My plan was to take \$1000 and buy some big-name stock such as Coca-Cola, and then sit back as my money worked for me. I had the impression that such a method would be safe, profitable and easy, but I wanted to practice first. Through my practice in investing \$100,000 of pretend money in a fake stock market simulation, I soon found out that this was not a good plan: I was terrible at it! The issue was not in my ability--it was in my lack of understanding how the stock market really works and its real purpose (which didn't include getting rich quick).

Financial literacy is crucial in making the transition to adulthood. Very quickly, a teenager goes from being asked to budget some money for food and gas out of their paycheck every week to being asked to figure out how to pay thousands of dollars of college tuition while managing expenses of living. Without sound financial knowledge, young adults can fall into debt quickly, even it's simply because they don't understand that the "minimum required payment" on credit cards each month isn't the credit card company's plan to help them tackle that debt. Above all, it is crucial that I as a young adult take responsibility for my own financial literacy, because it will directly affect my future. After I have the desire and willingness to become financially literate, there are many things that I currently do and can continue to do to accomplish this.

One thing I can do to improve my financial understanding is to set clear, specific goals for what I want my future financial situation to look like. Only once I know where I'm going can I start to discover what I should do financially to reach those goals. For example, I know that I would like to graduate with less than \$20,000 in debt so that I can manage that debt without feeling overwhelmed, and I would like to start a Roth-IRA before I graduate so that I can begin (even slowly) preparing for the future. These specific goals then require that I make a reasonable budget in order to achieve them. Learning how to budget and save is huge for financial literacy, since it teaches me how to manage my money effectively and gives me some flexibility when unexpected costs arise. Knowing how to make a sound budget is the backbone of financial understanding, since everything else--the decision to rent or buy a house, the health insurance I choose, the financial assets I invest in--will rely on knowing my priorities and how my money is organized.

Another thing I can do to become financial literate is to take advantage of other people's knowledge. There are tons of other people who have learned financial skills before me, and who want to pass on their knowledge to help me achieve my goals! I continue to talk with my dad about how to manage college costs, what a mutual fund is, how car and health insurance works, and how to file my taxes. My 12th grade math teacher conveyed the importance of starting a retirement fund early, and a helpful stockbroker that I knew (of whom I was not a client) explained the nuances of investing to me. People have written books on managing personal finances, such as "The Complete Idiot's Guide to Personal Finance in Your 20's and 30's" (which was actually quite a helpful read). Today there are stock market simulations online for practice, seminars offered by universities, classes on personal finance at the high school and college level as electives, and so many other instances of people offering their time and expertise in order to pass on their financial knowledge. I can improve my financial literacy by continuing to seek out other people who have real life experience and who want to offer advice to help me succeed in achieving my financial goals.

I know that most of these ideas aren't new, but that's because financial literacy isn't either. There are new and innovative ways to learn about finances, but ultimately, improving my financial literacy comes down to three basic things: having a desire to become financial literate, setting financial goals and managing my money accordingly, and seeking out people who have a desire to pass on their financial knowledge.

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He callously neglects his own comfort and thoughtlessly scorns others—all to preserve his cherished-above-all-else possession: his riches. Charles Dickens tells the familiar, classic tale of the miserly Mr. Scrooge. Although Scrooge earned a fortune, treasuring money caused him to become an uncaring recluse. We may all desire financial blessings but often we, too, let money take control instead of steering the ship ourselves. As writer Jonathan Swift said, “A wise man should have money in his head, but not in his heart.” Truly, the value of a person’s financial assets is largely determined by his understanding of them—his financial literacy. Literacy, as a general term, is the ability to read and write. This implies having knowledge and understanding of words and grammar that can be acted upon through reading and writing. Cambridge Dictionary defines financial literacy as “the ability to understand basic principles of business and finance.” Financial literacy, then, implies knowledge and understanding in preparation for action of some sort. Thus, financial literacy is best achieved by, first, acquiring knowledge and understanding of financial values and, second, putting that knowledge into practice.

Knowledge and understanding go well beyond chalkboard lectures and assigned chapters. Although my Economics 101 textbook was full of important information, I only gained from it as I, or my teacher, applied it to real life. True understanding comes when information is not mere memorized statistics removed from life but, rather, tangible applied truth. For me, that often comes through discussion. During my high school years, my family listened to an audio financial course on car trips. Understanding came as I was able to explore new concepts and take advantage of my parents’ wisdom. I was able to comprehend the principles more clearly when my mom or dad explained an example in our lives in which that principle actually occurred. Likewise, as I have reached my own financial milestones and taken personal responsibility, I have reached for all there is to know. From my family’s beliefs on tithing at church, to understanding social security withholdings on my first paychecks, I have understood financial literacy as I seek to comprehend it in real life.

Knowledge is rarely useful without application. Even if a concept is understood through a real-life example, it takes personal use to solidify comprehension. My driver’s education course was very important, but I could not learn how to drive until I put my foot to the pedal and hands to the wheel. Financial literacy is genuinely achieved, then, when it is put into action—just as you are not called “literate” until you can put the pen to a page and read, not just recite grammar rules. Throughout my young life, I have endeavored to put financial wisdom to action. I now keep records of my income, tithing, and spending in order to study them to see patterns that might make my use of money more efficient or beneficial. I have learned how to make automatic withdrawals from my checking account for my monthly giving to a non-profit organization. Even when spending, I have put a saver’s mentality in action by looking for second-hand opportunities, sales and coupons, or ways I can actually create what I need instead of buying it. In this way, I have not just learned how to read, so to speak, but I read every day—by actually using my financial literacy.

As I move forward in life, I know there will be more ways to grow in both acquiring knowledge and applying it. I have spent much of my high school senior year exploring scholarship opportunities and helpful ways to fund a college education. As my family considers switching cell phone contracts, we are looking together for the most efficient way to make the switch, likely choosing used over new. In the near future, I expect to create a plan for buying a car that I know I will need in a few years. For me, becoming financially literate is truly a matter of taking Jonathan Swift’s words seriously. It is indeed wise to have financial understanding in your head—and that is one of most foolproof ways to keep money out of your heart. I endeavor to understand finances and act on that comprehension, all the while being proactive as I look forward to the challenges and blessings ahead. I can say that, while I might never be as financially equipped as Ebenezer Scrooge, I know for certain that I will never be as miserly!

“Financial Literacy.” Cambridge Dictionaries Online. Cambridge University Press. Web. 11 Mar. 2014.

Swift, Jonathan. BrainyQuote. Web. 10 Mar. 2014.