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English 101
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Persuasive Essay
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Money for the Future

There's no escaping the fact that college costs are rising. According to recently released reports from the College Board, “most students and their families can expect to pay, on average, from $112 to $1,190 more than last year for this year's tuition and fees, depending on the type of college” (College Board). These prices could really put holes in people’s pockets if they are not prepared.

For public schools the cost for one year is over $5,000 dollars. If a student plans to attend college for four years the price can be over $25,000 dollars. Parents and students should work together through out their students’ life to earn the most money for college. That way when it comes time to pay for college fees, the financial needs are not a burden.

Most people don’t start to save until they think they need the money, because of this saving rates in the US is negative. “In 2002, the average American actually spent more income than he or she earned-the saving rate was negative” (Shiller). When a student acquires a job, direct deposit is a must. Teens are less likely to spend pay checks if the money earned is put directly into a checking account. Jennifer Merrick explains this as she works through college, trying to balance school and work. She tells, “Direct deposit helps me save more because I don’t look at my check, and I am not able to go cash it in for money right when I get paid” (Merrick). Most teens are able to get a job and start saving for themselves by the age of 16. This is also the time when a checking account can be acquired.

After the checking account is set up in the students name he or she needs to make sure about 100 dollars a month is being put into a savings account, this affective way of saving can accumulate big dollars in just few years. For example if a student puts $1000 dollars in his or her account, then after five years the student has already made almost $570 off the original $1000. This money made is off the interest alone.

To lessen future financial stress, start investing in a good college savings plan now. The sooner money is saved the faster compound interest will grow. Parents should start a savings account for their students as soon as they are born. If that means only putting in 5 dollars a week into the account, do it. 5 dollars a week accumulates to 260 dollars a year, which becomes about 5,000dollars by the time he or she is18 years. This alone can pay for at least one year of college, and adding more and more each year lets this amount grow to its fullest. The best way to save money when putting in certain amount each month would be a statement savings account.

The nice thing about this kind of savings account is while saving the money one is able to take the money out if need for emergencies. Also one may choose how much is invested each month, or week, or even year. This account would be the best choice for students that are working and trying to save money for college at the same time.

In many cases it is hard for students to concentrate on school priorities and maintain enough hours at work to make a living, or a ‘saving’ in this case. But as one has seen, if students or children start saving as early as elementary school, then the demand of money for college wouldn’t be so stressful. Also if parents started saving money for their child when they were born, money would be less of a priority for the student when he or she is trying to make the best impression for colleges during their senior year of high school.

Some students, like Justin McKenzie who is attending Eastern Washington University, have little time to focus on school because of his devotion to work. He explains to me "[It's] hard for me to make time for everything at school when I need to be working more than thirty hours a week just to stay in college." He also continues with "I didn't start saving money until my junior year in high school, when I actually began thinking about the money I would need for college" (McKenzie). This case has happened to many high school students. There were some students that started saving at an early age, and had enough money to pay for his first two years of high school.

Shane Smith another student at EWU says, "I started saving when I was in elementary school. My parents set up an account for me, then when ever I had extra money they made sure I put it into my account." He continues with, "I remember at times when I only put in a couple dollars, and other times where I put in 20 dollars. In my senior year of high school I worked only ten hours a week, and managed to save about seven thousand dollars to take with me to college"(Smith). This example should be how all students should start out in their first years in college, so while in the two core years one is able to focus more on school and less on money and work.

By putting in ten hours at work a week a student would still be able to have time for school work, so its not impossible to start saving when in college. Ten hours a week is usually about four hundred dollars a month. After calculating some extra curricular activities one can put two hundred in a month. After one year of work a student has saved already 2,400 dollars. People who are able to start saving earlier are able to make bigger lumps of money earlier as well, students with these saving habits are able to invest in CD.

One great account for this money investment would be a CD, or a Certificate of Deposit. Money is deposited into the CD account for a certain period of time, from one month to a year or more. A CD is a special type of deposit account with a bank that usually offers a higher interest rate than a regular savings account. Unlike other investments, CDs feature federal deposit insurance up to $100,000.

When a CD is purchased the invested sum will be in the account for a fixed amount of time, then in exchange the bank will pay interest, usually in intervals. As time is passed more interest can be accumulated. Some of the downs to this type of account is one must put in a certain amount and keep that amount in, with out adding to it. The higher the starting amount, the more one can accumulate off the interest. But not all students are able to put in big sums of money their high school year, so they don't have to opportunity to accumulate a lot just off interest.

Not only does saving money early make school easier and less stressful, but financial needs aren't such a burden when college comes around. These savings ideas could not only help one out, but also help our nation's savings rate. Currently our savings rate is below any other nation, "[The] saving of disposable income has dropped from 6.2 percent to a low of 2.5 percent in just six years, from 1981-1987. Neither the reduced tax on interest nor the high interest rates convinced American's to save more" (Shiller).

When more people pick up on the important idea of savings, more people can see how it can keep one debt free and even stress free.

MLA citations

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