



Michigan 4-H Cash Composition 2024 Winning Essays

Contest Information

The Cash Composition Contest is an essay writing contest focused on a financial education topic to emphasize the importance of youth financial education. Youth residing in Michigan, age 9-19 as of (January 1, 2024) were encouraged to answer this year's essay question on the topic of budgeting with an essay of 300 words or less. We have 2 age brackets for the contest; 9-13 and 14-19. The top 3 scoring essays in each age bracket won a \$100 gift card. This contest is generously sponsored and supported by Extra Credit Union. Scoring was completed by staff members from 4 different credit union partners.

We had 34 counties represented with our 75 essay entries.

The 2024 4-H Cash Composition Contest winners are:

9-13 year old:

Aubrey D (Eaton County)

Reagan M (Van Buren County)

Olive F (Oakland County)

14-19 year old:

Paige D (Wayne County)

Anna H (Clinton County)

Amy S (Washtenaw County)

We hope you can also learn something about budgeting as you read these amazing essays.

9-13 year old winning essays

Author Aubrey D:

A budget is a tool that you can use to track your income and expenses. This helps you understand your spending habits and helps you meet your personal goals for spending and saving money. Your income is defined as any money you earn through work or allowances. Expenses are items that you spend money on. Expenses can be divided into two major groups – wants and needs. Needs and wants can vary from person to person depending on their preferences. In addition, all expenses are either fixed or variable. Fixed expenses are

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constant, examples of this include car insurance, cell phone bill and rent. Variable expenses are expenses that fluctuate from month to month and depend on your personal habits. Some examples of variable expenses are groceries, clothing, and entertainment.

A budget helps you manage money by showing you where you are spending your money. By tracking expenses and making sure they are less than your income you can have confidence that you are meeting your goals and be less stressed about paying for large, fixed expenses. Learning about a budget, income and expenses helped me better understand what a healthy budget looks like through the 50-30-20 example. This example gives a good outline for needs, wants and savings. It is a really good way to have a deeper understanding of how you can create a healthy budget for yourself. As a 6th grader that is planning to attend Michigan State University, I now understand what a budget is and how it can help me have success saving for college and thinking more carefully about needs and wants. Understanding a budget and terms like income and expenses will help set me up for success with personal goals that will help me in the future.

Author Reagan M:

I'm a typical 13 year old girl, I love to shop and I'm Starbucks obsessed. My parents have taught me from an early age how to budget and be smart with the money I spend. They have stressed the importance of paying cash for the things I want by saving till I have enough money for those purchases.

I have a savings account and a checking account. In my savings account I put all my profits from 4-H to save for the future. I fund all my projects. I buy the baby animal, pay for feed and medication. Then after the 4-H auction I subtract the cost to determine my profit. I have to make smart choices when picking out my animals. I can't buy an expensive piglet for example because then I won't make a profit at auction.

Then I have my checking account, this is where I put in my money from babysitting and dog sitting for my neighbors. I use this money to buy coffee, clothes, and other "essentials." I have figured out that in order to not go in debt, I need to have at least two babysitting jobs a month. Each babysitting job earns me at least \$50.

I don't really have any bills yet. But soon, I'll be driving and need money for insurance, gas, and the car. I also have college in 4 years. While I've saved a lot my parents have been saving too.

Managing my debit card is quite tricky, I have to keep track of my purchases and not spend everything in the account. If I do that it takes money from my savings account. It has taught me a lot of responsibility. But, it has also given me a lot of independence.

Author Olive F:

Budgeting is a helpful tool for money management. A budget helps you prepare for the unexpected and allows you to have enough money for nice things like a vacation, a gift for someone, a car, college tuition, or a house.

Budgeting helps keep track of your income, spending, and savings over a period of time. Having a budget can be helpful for bumps in the road up ahead; car breaking down, an injured pet, health expenses, or someone you care about needs urgent help. Budgets are useful to anyone who wants to keep track of and save money.

There are different types of income to consider when making a budget. The three main types of income are

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portfolio, active, and passive. Portfolio income involves investments, like stocks, bonds, and mutual funds. Active income is the most common, and is when you exchange time for money. Passive income is when your money works for you, such as owning and renting out property.

There are also different expenses you should keep track of in a budget. Fixed expenses are paid regularly, such as rent, insurance, telephone payments, and utility bills. These bills don't usually change month to month. Variable expenses are not consistent, they change month to month. Examples: going out to dinner, buying some new clothes, or going out with a friend.

In conclusion, budgeting is a useful way of keeping track of income, spending habits, and savings. Budgets are useful for reaching your goals. Writing your goals down can make it easier to achieve them and have accountability. This can be done on paper or by using an app or software. Anyone can create a budget to help cut back on spending and encourage saving instead, though it is still nice to buy nice things every once in a while.

14-19 year old winning essays

Author Paige D:

Let's say you are walking on the exuberant streets of Grand River and you walk past a new coffee shop. Though the fumes of the fresh brewed coffee and pastries are pulling you in, you decide to save the \$7 instead. Congratulations, you just displayed characteristics of personal budgeting that surround our everyday lives. Components of your budget can range anywhere from insurance, groceries, or even a \$7 coffee. That's why it's important to manage your flow of income through a budget.

In order to know what you can spend, it's equally important to know what you have. Within a month, many elements compose to create your budget. Typically, budgets are broken down into your net income minus expenses to create your end balance. Your net income is what is coming in, or what you have. In my budget for October 2023, my income consisted of summer savings, pocket cash, and money from my birthday. I currently do not hold a job on campus, so I do not have a consistent income like a paycheck which is typically seen on budget sheets. Inversely, your expenses are what is being taken away, or spent. For me, these costs look like textbooks, food, and transportation.

Budgeting is crucial to understanding your personal finances. Budgeting can help you manage goals and expectations that ultimately help you in the long run. As a young adult, budgeting has taught me the disciplines of savings and the consequences of spending. With budgeting, I have become increasingly aware that as I get older and become more financially independent, the more responsibility I hold. Physically seeing my budget has helped me manage my spending to set new savings goals. Overall, budgeting has been an integral aspect of my financial outlook that has taught me life-long lessons.

Author Anna H:

A budget is a personal spending plan that is based on someone's income and their expenses. It is an estimate of the amount of money that an individual will make and spend over a certain amount of time.

Income usually comes from the main job that an individual is working. Their income is their paycheck that they get on their specified days – weekly, bi-weekly, 2 days per month, etc. Sometimes people work two or more jobs, so they have many different forms of income. Expenses can be anywhere from house bills to groceries. Depending on the type of person or family, their expenses will come in different forms. Personally, my income will be coming from my job that I plan to begin in 3 weeks. My expenses will include gas, student loans, and groceries for right now.



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A budget can help someone manage their money by allowing them to set aside money for their expenses instead of constantly spending or impulse buying. There is a simple budgeting plan called the 50/30/20 budget which helps to maximize an individual's money. They must allow up to 50% of their income for any needs which may include groceries, housing, basic utilities, transportation, insurance, loan and credit card payments, and childcare or other expenses needed so the individual can work. The individual can leave 30% of their income for their wants. And finally, they should commit 20% of their income to their savings and debt paydown. There are other ways to budget money, but this is a good way to start!

Having a budget can help me know how much money I earned and to set aside for my expenses. I currently have a booklet with envelopes that I use for specific areas of money. So far, it has really seemed to help me!

Author Amy S:

I have learned about budgets my entire life. My parents taught me about money. In middle school, I took a class where we all received an imaginary career and had to plan our budget for the month. I have taken classes about finances at the 4-H Exploration Days, where I learned how to budget. Even in school, taking regular math classes, budgets come up all the time in word problems about exponential and logarithmic functions.

I have learned so much about budgets that, when I got my first job, I felt very prepared. Fortunately, I don't have any monthly expenses, so I don't have to worry if I need to work fewer hours. Therefore, it's not easy for me to always have a budget.

A budget is a limit you set for yourself within a certain timeframe, usually monthly. These limits can be for anything, specific things like 'groceries' or more generic things like 'car repairs'. I like to think of a budget as a puzzle. You have different pieces—expenses—and they need to be the right size to fit into your budget. You can create your own budget based on your exact needs, or you can find many different suggestions online for how much each monthly cost should be. For example, it is suggested that a car payment should be only 10% of your monthly income.

I love budgeting, and I think it is a useful skill that I have gained from all my experiences. In summary, a budget is a financial plan for managing money. It helps one keep track of how much money one has and how much one can spend. One more thing: budgets can be flexible. You can always change them if you need to, whether you get some extra money or something unexpected happens.

Continued Learning

For continued money management education, please visit [Michigan State University Extension](https://extension.msu.edu) and [Michigan 4-H Youth Development program websites](https://4h.msu.edu) to take part in a variety of learning experiences including the Cash Composition Contest. To find out how to get involved in 4-H as a youth participant or an adult volunteer, contact your [county MSU Extension](https://extension.msu.edu) office.

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