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April 1st, 2019

Building Financial Literacy, Essay Part 1

My experience starting my guitar lesson business in January 2018 within Studio Ambit has significantly impacted my views of smart money management. My guitar teacher suggested I had the skills and attitude to teach guitar. I evaluated the market and developed a simple business plan with my parents before starting. In the process, my analysis determined this opportunity provided potential for greater income per hour compared to other part-time jobs.

This job has taught me about handling finances by managing my students' weekly lesson payments. I currently teach 10 students who pay for lessons through a variety of payment methods, the most common being cash at each lesson. Checks are the second payment method used, which some students use to pay for multiple weeks in advance. I have developed a simple accounting spreadsheet system, to track payments due and payments made.

I have set up a checking account at my bank to keep track of the receipt of cash or check by student, then record and deposit into my account. Students that pay in advance for their lessons that month build up a credit balance and don't have to worry about paying at each lesson. When students sometimes forget to bring in payment, the opposite happens, and they accumulate debt. This debt can add up quickly if students do not bring in payment for many weeks. I have had to manage communication and collection of these balances when parents sometimes don't realize they have failed to pay for several lessons. Managing payments through my business has reinforced my approach to handling income and avoiding debt.

I am renting the studio space I pay for monthly. By renting, I share the cost of the space with others. I have learned rent pays for more than the simple property cost but also covers the

amenities such as the equipment, utilities, and consumables. The owner is trusting me with a key and the responsibility of protecting the property and assets inside the studio. I also have learned about purchasing renter's insurance to protect personal property in a rented space. Fortunately, insurance needs for my business are covered for me by the manager of the studio.

One unexpected lesson learned was not to count on revenue projections and therefore not to spend based on income projections as unexpected circumstances can alter revenues.

Specifically, when students do not show up for their lesson, I do not earn the expected revenue for that slot. While I quickly filled the available times in my schedule, I had some students that rarely attended their lesson for various reasons. I was spending time in the studio without a student and not earning for those sessions. To generate value for my time, I realized I needed to have a payment policy for missed sessions. I have addressed students who missed frequently by suggesting they vacate their slot to allow for other students to occupy that time.

I am motivated to spend my time offering lessons because I enjoy sharing my talents of guitar, and also I see the need to start saving money to invest in my future self. I am inspired by my brother, a sophomore in college, who works two jobs to pay for the costs of tuition, books and living expenses. I have followed a plan to divide my revenue between long term savings, re-investment in my business, and my spending money. By creating this budget, and sticking to it each month, I feel great about my money management.

By starting a business I have gained practical application in budgeting, planning, handling and managing money, and the responsibility of renting a space. I have gained a broad understanding of banking, debt, and credit. This practical application of concepts I have learned in school has been invaluable. It is something I will carry with me into college and beyond, positively shaping my money management knowledge and my future.

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Building Financial Literacy, Essay Part 2

As I prepare for my education and my career as a landscape architect, I must prepare myself to be financially responsible and knowledgeable. The landscape architecture career involves a rigorous curriculum that will require time management and hard work to earn my degree. I will also be managing my finances, and applying what I learned through previous jobs to manage my college expenses. After graduation, I am glad that I will have knowledge of how to save my money and invest it into my future. I learned valuable money management skills from my interview, my life experience as a guitar teacher, and my financial literacy course that will benefit me in college and in my career.

I learned about the landscape architecture career through an interview to gain information about doing well in college and advancing in my career. Bryan Padgham is a senior associate within TBG partners, a large corporation based in Dallas. Bryan shared with me his experiences as a college student studying landscape architecture at Kansas State University (KSU). He stated that the Architecture, Planning, and Design program had many expenses, such as the required purchase of a computer, and drafting software. These are valuable assets for an architect, but are not as important as the hand eye coordination of hand drafting. In this particular program at KSU, students do not use a computer or drafting software such as AUTO-CAD until their second year. The required purchase of a computer and use of this expensive program throughout the rest of the curriculum does however, add more of a financial burden, compared to other majors. Considering all the expenses and costs accompanying the College of Architecture, Planning, and Design, Bryan imparted that the most important advice was to avoid having student loan debt,

which could make it difficult to find “financial stability” after graduation. Paying for college through scholarships or working a part-time job is a possibility with the proper time management. Ultimately, the hard work dedicated to studies and avoiding student loans will pay off after graduation when I am not saddled with years of debt.

Bryan also shared his experiences advancing in the landscape architecture field. He works as part of a larger firm, as opposed to some architects who operate independently. The main difference between these two occupational styles is the responsibility either resting on one person, or spread between a bureaucracy of departments. Bryan’s company, TBG Partners, consists of many different offices with accountants, administration executives, graphic designers, engineers, advertisers, and technical support who work collectively to cover all the responsibilities of the firm. As a freelance architect, all of those “hats” would be worn by one person. This would allow the benefit of having individual freedom to be in control, with options of how to grow and expand the business. A large firm, however, provides a competitive work environment where an employee must “maintain their usefulness,” and continually “bring new skills” to the company. Bryan said that the greatest factor in advancing through the landscape architecture field, whether from the home or the office, is working hard each day. As with most occupations, doing your responsibilities with the best effort and always striving for improvement will eventually lead to being rewarded. After my interview with Bryan, I can see that I have applied these responsibilities on a smaller scale. With my guitar lesson business, I am acting in a similar way to an independent architect, and wearing all the hats.

Reflecting on my experiences as a guitar instructor, I have learned valuable money management skills that will benefit me in college and my future. As I near graduation, I am continuing to save for college tuition and expenses to minimize my need for student loans. The

more money I earn through my job or scholarships, the less I need to take out federal or private loans to finance my education. Excessive student loan debt is a crisis in the United States, and can make it hard for college graduates to find financial stability after graduation. According to the Federal Student Aid Office of the Department of Education, there is nearly 1.5 trillion dollars spread among nearly 45 million borrowers across the United States. As of 2014, 71% of graduates had student loan debt. As I plan for my college education, I plan to avoid as much debt as I can by working and saving money I earn now and working during school. Because of my experience of working closely with different types of payments, I want to carefully analyze the benefits and disadvantages of applying for a student loan. Student loans are widely available and provide easy access to money, easing some of the financial stress that could be on a college student. However, this financial stress is only postponed until later, when the loan must be repaid with interest.

This is similar to my situation with students paying for guitar lessons, postponing their payment until later when the amount owed has accumulated. The longer a borrower procrastinates paying back the loan due, the more money it will cost to repay it due to interest. This can cause major problems for graduates as they get started in their career, with a financial burden that could take years to pay off. To prevent these financial problems, it is important to work hard, and make fiscally responsible choices. While it may take a lot of coordination and effort, contributing to the costs of college tuition through a part-time job is one of the best ways to do this. The other way is by earning scholarships that can significantly offset the cost of school. Scholarship providers demonstrate a great care for the community by offering to assist worthy applicants. I have been working hard on scholarship applications and in my job earning money to cover as much of my college cost as possible.

I am more knowledgeable and confident in evaluating my expenses and money management for college and my career after completing the EVERFI financial literacy course. I enrolled in the EVERFI program to learn more about the finances of adult life that I did not know about. I desired to have some knowledge of concepts such as credit, loans, insurance, and investments before I graduated high school and encountered those scenarios in college. As I have considered my options for my education, the financial analysis skills I learned through the EVERFI course have greatly helped me make my decision. I was able to gather information on the average costs for different types of higher learning, which I organized in the table below.

		Estimated Expenses				
		Tuition	Room and Board	Books and Supplies	Other	Total
Kansas State University	In-State	\$10,512.50	\$8,970.00	\$1,800.00	\$4,000.00	\$25,282.50
	Out-of-State	\$26,533.30	\$8,970.00	\$1,800.00	\$4,000.00	\$41,303.30
National Averages*	Community College	\$3,660.00	\$8,660.00	\$1,440.00	\$4,170.00	\$17,930.00
	4 Year University Out-of-State	\$26,290.00	\$11,140.00	\$1,240.00	\$3,280.00	\$41,950.00
	4 Year University In-State	\$10,230.00	\$11,140.00	\$1,240.00	\$3,280.00	\$25,890.00
	Private Nonprofit Four Year	\$35,830.00	\$12,680.00	\$1,240.00	\$2,750.00	\$52,500.00

*National averages sourced from The College Board's annual survey of colleges.

After taking the financial literacy course, I have a greater understanding of what each of these cost estimates mean in relation to my income, and how I would go about paying for them. I determined that for an education in landscape architecture, Kansas State University would be the best choice of school for me. As an in-state student, tuition is about half as much as an out-of-state student. Compared with the average in-state total cost for a 4-year university, Kansas State is a just below the average across the U.S. I believe that while a 4-year university is not the cheapest option, it is the only option to obtain my desired degree. As a whole, 97% of Kansas

State University's APDesign graduates in 2018 had meaningful employment within six months of graduation. Their program is reliable and creates talented architects who are in high demand from employers. This financial literacy course helped me make this decision for my college education, and will undoubtedly be useful again in my future workplace.

As I look forward to my college education at Kansas State University and career as a landscape architect, I will find value in the money management skills I have learned through researching my career, my life experiences, and financial education. Through interviews with a professional in my field of study, I gained advice on how to avoid student debt and advance my career after graduation. My business as a guitar instructor has reinforced my mindset toward avoidance of debt and knowledge of credit. I have supplemented my firsthand experience of handling finances with the EVERFI financial literacy course, which helped me evaluate my financial decisions for college and in the future. Preparing for my future as a landscape architect is exciting and has involved many important steps, but none more prominent than to be financially educated to make smart decisions.

Works Cited

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