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Frugal is the New Cool

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Frugal Is the New Cool

Teens are feeling the effects of the bad economy but it's not time to panic. It's time to get creative

By Erin Meanley

Talking about money these days is never a fun subject. According to the Bureau of Labor Statistics, 1.9 million U.S. jobs disappeared in the last four months of 2008. The losses happened across many different industries.

American families have been hit hard. In some cases, one or both parents are out of work. People have lost their retirement savings and even worse, their homes. Despite this gloomy climate, some teens are keeping a positive attitude.

"The economy has definitely messed with people's minds," says Nadia Farjood, 17, from San Diego, California. "After seeing so many foreclosures and reading about people losing half of their net worth, it is hard to come out without some psychological impact. For the most part, I am taking this economic fallout as a lesson to use money wisely."

From taking on after-school and weekend jobs, to coming up with activities that don't break the bank, young people like Nadia are learning how to keep their spirits up in a down economy.

BETTER SPENDING HABITS

With many parents out of work, teens are feeling the pinch in their allowances. As a result, teens are getting smarter about their spending habits and learning to separate wants from needs.

"Typically, juniors and seniors at my school go off campus every day for lunch," says Nadia. "After awhile, I realized it was burning a hole in my wallet and that it would be wiser to pack my own lunch."

You can also be cash savvy when it comes to entertainment. "Search for activities that do not involve spending money, such as organizing movie nights at each other's houses, making music videos together, or experimenting with cooking dinner," Nadia advises. "There are so many ways to have fun and not give up too many George Washingtons to do it!"

Allie Ferguson, 17, also from San Diego, has learned to be thrifty. "Keep track of what you spend," she suggests. "It's easy to forget that movie tickets are 10 bucks. But keeping that in mind makes me more mindful of how much I have in my wallet."

Nadia also thinks more about where her dollars are going. "I make sure that when I go out to watch a movie with friends, I am not seeing it just to see it, but because I actually want to. I am more cautious of how I spend, so it is ultimately making me appreciate the value of a dollar."

When your friends invite you to dinner or to the movies, think first before you give an answer. If an activity doesn't seem realistic with your budget, learn to say no. It's easier than you think--and these days, people should understand.

You can still have fun without spending money. Save on gas money by carpooling to events. Hold clothes-swapping parties with your friends instead of shopping at the mall. Cut back on daily extras like candy and coffee drinks--those costs truly add up! And have you checked how much you spend each month on text messaging?

Spend less on bigger activities like the prom. "Last year, I only spent money on the prom tickets and my nails," says Allie. "I did my own hair, used old shoes, and even borrowed a dress instead of buying a new one. It was great! I'll probably do something similar this year."

GET CREATIVE

To compensate for lost spending money, many young people are looking for jobs at local stores and restaurants. This is actually a positive development: Teens feel in charge when they start to take control of their **personal finances**.

Elizabeth Pieslor, an 18-year-old San Diegan, works at a local pizza place four times a week. "I deposit all of my paychecks into the bank and use tips as spending money. I really like having a job because I like saving for the future."

If you can't find a job in your area, use your imagination and be your own boss. Tons of great ideas come out of tough times.

"I am starting my own business this summer to help prospective college students write college essays," says Nadia. "I love writing, and I am excited to help my peers."

If you like kids, how about tutoring or baby-sitting? If you love pets, why not start a dogwalking business or pet-sitting business with a friend? If you love the outdoors, why not mow lawns?

If homework and other activities don't leave room in your schedule for other commitments, don't worry! These are just tips in case you're thinking of ways to earn some extra income.

The bottom line: Don't panic. The country has been through plenty of **turbid** times in the past and has always pulled through them. Federal and local governments are working hard to resolve the economic crisis.

In the meantime, maybe you'll find out things you never knew about yourself by thinking outside the box, and turning lemons into lemonade!

Write Now!

Has the economy affected you, your family or your community? Write a short essay describing the changes you've observed.

