

TIME
FOR KIDS

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FINANCIAL LITERACY FOR KIDS

THIS TEEN
WON \$75,000
ON JEOPARDY!

Who Is Jeff Xie?

How far will
his money
go? He wants
to travel
and save for
college.

\$75,000



Jeff Xie (right) won the *Jeopardy!* tournament by using his knowledge of the Civil War.

MEET JEFF XIE

The teen won a *Jeopardy!* jackpot. What will he do with his money?

Game-show success didn't come easily for Jeff Xie. But his hard work paid off. He won \$75,000.

For years, every weeknight at 7 p.m., Jeff Xie and his family have had a date with the television show *Jeopardy!* For Jeff, the game wasn't just about beating the contestants to the buzzer. It was also a chance to earn extra allowance money. For every question he got right, his parents would add 10 cents

to his allowance. Little did they know that, at 17 years old, Jeff would win \$75,000 as the 2014 *Jeopardy! Teen Tournament* champion.

Try, Try Again

It took Jeff years to get on *Jeopardy!* Just after his 13th birthday, he took a test to appear on the show. He failed. He failed again at ages 14, 15, and 16. But he didn't give up. He studied after each test. "I kept track of what I didn't know," says Jeff. "Then I focused not

on my strengths but on the difficult parts."

It worked. The fifth time Jeff took the test, he did a great job. But he wasn't on the show yet. He had to take another test, be interviewed, and play a practice round. Jeff beat 8,574 people to get one of the 15 spots on the show's teen tournament.

POWER WORDS

finance: the way money is used and handled

stocks: portions of a company that are sold to the public

Jeff, now 18, is a senior at J.P. Stevens High School, in Edison, New Jersey. Next year, he hopes to go to Columbia University, in New York City. He plans to use \$50,000 to help pay for college. His parents agreed that he can use what's left after paying taxes for whatever he'd like. He wants to travel to France. He plans to put his travel money into a savings account.

Managing the Money

Jeff learned about **finance** from a book his older sister gave him, *I Will Teach You to Be Rich*, by Ramit Sethi. "It helped me get an idea of what I need to do to save as much money as possible," Jeff says.

For fun, Jeff watches the show *Dancing with the Stars*. Will it be his next game show? "If I ever get famous enough to be one of the people they pick, then maybe," Jeff says. "They picked Bill Nye, the Science Guy, so who knows?" —By Kelly Hultgren

HOW

How far will Jeff's \$75,000 go?

Jeff wants to use his \$75,000 for college and travel. The cost of four years at a public in-state university is about \$65,000. So Jeff's \$50,000 would go a long way. The cost of four years at a private university is around \$148,000.

So Jeff's money would cover a year and a half. Jeff's \$19,000 for travel would pay for more than a trip to France. But Jeff could choose not to spend the travel money. Instead, he could invest it in **stocks**. In 30 years, his money could be worth more than \$200,000. But that's only if the stocks do well. What would you do?
—By Arielle O'Shea



COST OF COLLEGE

	COLLEGE COST IN 2010	COLLEGE COST IN 2020	COLLEGE COST IN 2030
IN-STATE PUBLIC	\$16,140	\$27,599	\$54,293
PRIVATE	\$36,993	\$61,405	\$120,793



Jeopardy! host Alex Trebek congratulates Jeff Xie on his big win.

FAMILY CHALLENGE

If you suddenly had \$75,000, what would you do?

If you received a large amount of money, what would you do? Discuss with your family how you would spend it. If your ideas are different from theirs, try to work out a solution. Make a plan. How much money would you save? How much would you spend on something you or your family wants or needs now?



ASK JEAN

Jean Chatzky is a money expert.

What is an investment?

—Lincoln Webster, 10
London, Kentucky

An investment is something you buy with the hope that it will be worth more in the future than it is worth today. In other words, when you invest, you buy something that you hope will grow in value over time. Then, down the road, you can sell it and make money. Money you make above the purchase price is called a profit.

A common way to invest is to buy shares of stock in companies, like Coca-Cola and Apple. Stocks are units of ownership in a company. People also invest in mutual funds that consist of shares of hundreds (sometimes thousands) of stocks. Many people also invest in real estate, like homes or land.

What makes saving different from investing is the hope of growth. If you put \$5 in your piggy bank, you are saving it. It will still be there tomorrow, but it will not be worth more than it is today.

KIDS WEIGH IN

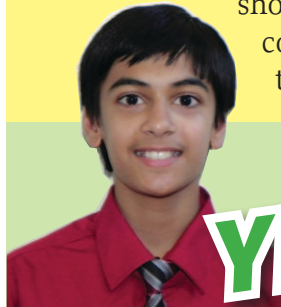
Should Parents Tell Kids How to Spend Their Money?



A boy and his father shop at an Apple Store in San Francisco, California.

GLENN CHAPMAN—AFP/GETTY IMAGES

No matter how much money you have, you most likely have plans for how to use it. Should your parents have a say? Or should you be the only one in control of your money? Here, two TFK Kid Reporters share their views.



Suraj Modi, 12
Lawrenceville, Georgia

Parents know more about money than kids, so they can help kids make better decisions about spending. Kids may be tempted to waste money on unnecessary things. Parents can help kids save for items that are useful, such as a new bike. Having help from their parents will help kids learn about money.

YES!



Andrew Mancini, 11
San Carlos, California

If kids earn money or get it as a gift, it belongs to them. They should decide how to spend it. If parents have been good role models with money, they will have influenced their kids' spending habits. And if kids do make bad choices with their money, it is a chance for them to learn how to be responsible in the future.

NO!

COURTESY JEAN CHATZKY

Do you have a question? Write to Jean at tfkasks4you@timeforkids.com.



We want to hear from you! The next topic: Should you have to work for your allowance? E-mail your opinion to tfkasks4you@timeforkids.com. For more information, go to timeforkids.com/pwcdebate.