



## Michigan 4-H Cash Composition 2025 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, 2025) were encouraged to answer this year's essay question on the topic of borrowing 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.

We had 60 essay entries this year.

### The 2025 4-H Cash Composition winners are:

#### 9-13 year old:

Liam L. (Ingham County)

William A. (Oakland County)

Julia G. (Livingston County)

#### 14-19 year old:

Duray M. (Alger County)

Lauren K. (Oakland County)

Aleah S. (Houghton County)

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

### 9-13 year old winning essays

#### Author Liam L.:

*When considering debt, it's important to approach the decision thoughtfully. Typically, loans should be reserved for special occasions or significant purchases, like buying a house, financing a vehicle you truly need, or covering medical expenses. This is because borrowing means you'll be giving away a portion of your hard-earned income to pay off interest. This can add up quickly and result in you losing money, especially if you're unable to pay on time.*

*Before taking out a loan, you must assess your financial situation. If you can repay the loan within the agreed-upon timeframe then borrowing might be reasonable. However, even then, you must be careful when taking on debt. You should still prioritize avoiding unnecessary debt whenever possible.*

*On the other hand, if you're aware that your financial situation is not stable and that repayment may be challenging, you should avoid debt. Instead, focus on saving up for what you need. Building a savings could allow you to handle unexpected expenses without using loans, which can lead to further financial stress down the road.*

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*However, emergencies can happen when we least expect them. In those instances, a loan may be needed. If you find yourself in a situation where you absolutely must borrow money, it's important to make a plan to repay your debt and do it on time. Work hard to stay on top of your payments to avoid adding interest that can make your situation worse.*

*In summary, whether considering a loan for something you need or facing an emergency, always carefully consider the downside of debt. Prioritize needs over wants to make sure that any decision made is in your best interest. By taking a careful approach to borrowing, you can protect yourself from the downside of debt and work towards a better financial future.*

Author William A.:

*Borrowing money is a great way to pursue your dreams and aspirations. It can help you afford many things that would otherwise be impossible to purchase. However, loans should only be taken when necessary. These are my guidelines to borrowing safely and correctly.*

*Graduating from college likely puts one in debt due to the cost of tuition. This is a large sum and by taking loans, you can pay for them over a long period of time. This opportunity is a crucial part of the American dream. By borrowing to pay that balance, you can now focus your financial efforts toward necessities such as a car or a house.*

*When used to fuel less healthy pursuits, however, borrowing can be extremely dangerous. For example, borrowing money on credit cards. They are very convenient for a variety of reasons. It is far easier to carry a credit card with \$2000 on it than it is to carry \$2000 worth of cash. Another reason is that it is much easier to track your spending. Instead of having to count your money every day, all you have to do is pull up your phone and look at your spending totals. While convenient, it is also easier to overspend when you're not looking at your money and seeing it leave your hand. The high interest rates also compound monthly and can be detrimental to accomplishing your end goal.*

*My advice to those of you who are contemplating taking out a loan or borrowing money is to only borrow what you are positive you can return. Borrowing can be both a blessing and a curse. It can be a crucial asset in achieving our goals, but it can also be our undoing. If managed correctly, however, it will bring both profit and prosperity.*

Author Julia G.:

*Have you ever used credit? The most common form of credit is a credit card, but things like loans are credit too. Credit is a way of borrowing money. Credit can be good or bad depending on how it is used.*

*Using credit can end up being a good decision or it cannot. Borrowing money is a good decision if the borrower can pay it back. Credit is a bad decision if they can't pay it back because they will have to pay interest (more money!). For example, if borrowing money to start a business, then credit is a good choice because the business should earn money. If borrowing money to buy candy, then credit is a poor choice. Please use cash.*

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*It is important to ask questions when deciding whether to borrow money. First, is it necessary to borrow money on credit? Second, is it possible to pay it back in full on time? Third, what is the interest rate? Is it good or could debt accumulate too quickly at the interest rate being offered.*

*Some tips for borrowing money are: don't let the money owed build up; letting debt accumulate is not a good choice. Make sure borrowing money is necessary and the money won't be spent frivolously, especially when using a credit card. Pay back the money owed in full as quickly as possible. Try to only use credit when there is a good interest rate unless there are no other options.*

*In summary, credit is a good or bad way of borrowing money. In my opinion, credit is a very good way to fall into debt, so be careful when using it. Always remember to pay it back so you do not accumulate debt from interest AND from what you originally owed.*

## 14-19 year old winning essays

Author Duray M.:

*Borrowing money can be a useful tool if you use it wisely. It lets you invest in important things like education, a home, or a business that can help you earn more money over time. Using credit responsibly also helps build a good credit score, which means you can get better loans later. However, borrowing for things you don't need or taking on high-interest debt can quickly lead to money troubles.*

*Before you borrow any money, think carefully about why you need it, how much it will cost, and how you will pay it back. A loan makes sense when it helps you grow financially, like paying for school, buying a house, or starting a business. Low-interest loans with payments you can handle are a good choice, but borrowing for extra expenses might cause problems. Check your budget, consider other options, and consider debt's long-term effects.*

*Smart borrowing means being careful and planning. Only borrow what you can comfortably pay back, and shop for the best interest rates and terms. Avoid loans with high interest, such as payday loans or large credit card balances, as they can cause a lot of stress. Paying your bills on time is important for keeping a good credit score and avoiding extra fees. Whenever possible, pay off your credit card each month to stop extra interest charges, and consider saving money or finding cheaper borrowing options.*

*Taking out a loan for college can be a good investment in your future. A good education often leads to better job opportunities and higher earnings. It's important to borrow only what you need while also looking into scholarships, grants, and work-study programs. Federal student loans usually have lower interest rates and more flexible repayment plans than private loans. Planning and understanding your loan terms can help prevent too much debt after you graduate, and paying on time builds your credit.*

*Building credit early is key to long-term financial success. Using a credit card wisely—by making small purchases and paying off the balance each month—helps create a good credit history. Student or secured credit cards are a good start, and paying back student loans on time also boosts your credit score. A strong credit score means you can get lower interest rates and higher loan limits in the future, setting you up for a secure financial life.*

*In short, borrowing responsibly can help you reach your financial goals and build a stable future. With a clear purpose, a solid repayment plan, and careful money management, borrowing becomes a helpful tool for building wealth instead of a long-term burden.*

Author Lauren K.:

*Credit can be both a lifeline and trap, with the power to build dreams or bury people in debt. At its core, credit allows you to access resources now with the promise of future repayment. Whether it becomes a stepping stone to success or a pitfall depends entirely on how it's managed.*



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*Credit can be an incredible opportunity when used wisely. My friend's father dreamed of attending Villanova University, but its high tuition made it seem unattainable. Determined to pursue his goal, he took out student loans. Though the debt was significant, the investment paid off: he landed a prestigious job and repaid the loan comfortably. Borrowing for education, homeownership, or starting a business—investments that create long-term value—are ways to use credit in your favor.*

*On the other hand, misuse of credit can lead to ruin. A family member of mine frequently takes out loans for vacations and other non-essential expenses. As a result, she's stuck working long hours to pay off debt that only grows over time. Her situation illustrates the dangers of using credit for fleeting desires instead of productive goals.*

*From these stories, I've learned to borrow only when it builds my future and I have a clear plan to repay it. Responsible credit use starts with understanding the true costs, including interest and fees, paying balances in full, and seeking guidance from trusted individuals or financial advisors. Credit can be a powerful tool, but only if used deliberately and with care.*

Author Aleah S.:

*When borrowing money, it is crucial to know the basics of credit; particularly if you are using a credit card. In this essay, we will learn about the basics of credit and borrowing money to build financial security, along with tips on how to safely borrow.*

*So first of all, what is credit? Credit is the ability to borrow money with the understanding that it will later be repaid, oftentimes with interest or fees. Credit can apply to various financial areas such as personal loans, credit cards, and home loans. It is scored on a three-digit scale from 300-850; the higher the numbers the better credit score and interest rates you will have. Good rates are achieved through proper financial management and always making your payments on time - also resulting in low fees and interest. However, partial or skipped payments will negatively impact your score and hike up your fees and interest rates. The better your credit score, the better chance you have of attaining loans and low fees.*

*If you are planning to safely borrow money, you should know firsthand whether or not you can repay it - including any interest or fees that can occur. You should also decide on whether or not you really need the good or service that you are planning to purchase. This will be the building blocks of your credit score and creditworthiness. A diligent person will manage it well - resulting in low interest rates and fees - while a frivolous person will spend it all, causing high interest rates and fees - along with a bad credit score. Credit and borrowing money can become very useful tools if used right. With proper financial management and knowledge, you can build up your solid credit score and enjoy the peace of mind that comes with it.*

### Continued Learning

For continued money management education, please visit Michigan State University Extension and Michigan 4-H Youth Development program websites 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 office.

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