

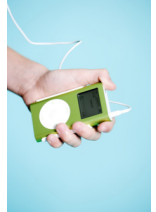
# Money Management Tips for Teens

## Banking Basics

- Educate yourself - money is important in all aspects of your life, now as well as later.
- Have at least 2 bank accounts - one for savings and the other for your weekly spending.
- Lower the limits on your bank cards and consider not having easy access to your savings account with your debit card. Use technology to help keep your money safe from yourself!
- Keep your passwords and PIN numbers secret - no exceptions!

## Budgeting Basics

- Set realistic, easy to reach goals for your money. A short term goal (3 - 6 months) might be to save for a new iPod. A medium term goal (1 - 3+ years) may be to save towards the down payment for your first car. A longer term goal might be to save towards post-secondary education costs.
- Put a picture of your goal where you see it often - in your locker, a sticker on your debit card, on your computer desktop. It will help you when temptation strikes!
- Track your spending in a little notebook or on a slip of paper in your wallet. Change adds up whether you spend it or save it - decide what's best for you.
- Plan your spending based on when you receive your money. Always borrowing from the bank of Mom, Dad or Grandparents doesn't help you develop good habits while you have the chance!
- If you have trouble saying no to spending money when you're out with your friends, don't bring extra money along and leave your debit card at home.



## Planning Ahead

- Pay yourself first. You might have heard this time and time again, but interest adds up. Consider these examples:



**Savings Interest:** You start with \$0 in your savings account. Every second week you add \$20. Assuming an interest rate of 3% per year, after only 10 years you'd have more than \$6000 saved! Add some birthday money to the account too and it'll add up even faster.

**Credit Card Interest:** Credit cards charge you interest if you don't pay the whole bill every month by the date it is due. This means that you add about 50% to whatever you buy. For example, you buy something for \$19.99. With tax, the total is \$23.39. If you buy it using a credit card, and you don't pay the whole bill when it comes, it will actually cost closer to \$33.00 by the time you're doing paying for it. Looking at it this way, is it still a good deal?!?

- If you're tempted to spend without thinking, develop strategies to help you avoid times or situations when it's hard to say no. Plan to have your friends over rather than hang out at the mall, stay away from the stores if you're in a bad mood and not able to make good choices, or decide not to buy "stuff" just to fit in with certain friends.



- Have a small, part-time job if you are allowed to. Not only will it help your bank account, it will help your resume when you apply for scholarships, bursaries and jobs later on.
- Don't make long term commitments (like cell phones or tanning memberships) without thinking it through carefully - 3 years can be a very, very long time to pay for something you don't really need or want.