

# YOUR MONEY, YOUR FUTURE

A PRACTICAL MONEY GUIDE  
FOR STUDENTS



**VISA**



Practical  
Money Skills

## **One of the best things about having your own money is that you can choose how to use it.**

Whether you get a weekly allowance or are paid for walking your neighbour's dog, your first step in handling your money well is to think about short-term and long-term goals. Then, you can make a plan to reach them. It takes a bit of practise to master your money, just as it takes time to learn to ride a bike. But once you get the hang of it, you'll be ready to tackle all sorts of money twists and turns. In this money guide, you'll learn to earn, save, budget, spend, borrow, protect, and give.

## **TABLE OF CONTENTS**

	<b>Chapter 1: Earn</b>	2
	<b>Chapter 2: Save</b>	8
	<b>Chapter 3: Budget</b>	14
	<b>Chapter 4: Spend</b>	22
	<b>Chapter 5: Borrow</b>	28
	<b>Chapter 6: Protect</b>	34
	<b>Chapter 7: Give</b>	40
	<b>Wrap-Up</b>	46

# LEARN TO EARN



## HONE YOUR SKILLS

Earning is the first step in your journey to managing money wisely so that you can build a successful future.

We all have different talents and abilities. It's important to take the time to recognise your strengths and develop your skills so you can excel at what you do. By investing in your education and interests, you'll set yourself up for a path to success.

Get started by asking yourself these questions to help you think about what career path you may want to pursue.

What topics interest you?

- 1.
- 2.
- 3.

What are you good at?

- 1.
- 2.
- 3.

What are you passionate about?

- 1.
- 2.
- 3.

What are your hobbies?

- 1.
- 2.
- 3.



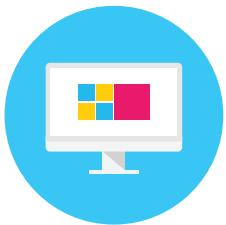
### Did You Know?

You can legally start working in the U.S. at the age of 14.

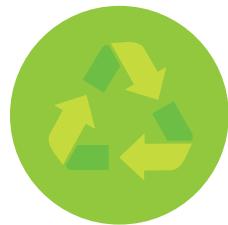
## BIG IDEAS, BIG MONEY

You can earn money doing what you love by becoming an entrepreneur.

Being an entrepreneur means using your skills, interests and unique ideas to build your own business. Anyone can become an entrepreneur with enough hard work. Many teens have built amazing businesses right out of their homes. Some have started tutoring younger kids, selling handmade items online or even organised their own catering services.



Are you good with computers?  
Teach others how to use them.



Do you care about the environment?  
Collect recyclables in your home and neighbourhood.



Do you love animals?  
Start a pet-sitting business.

Could you excel at starting a new business using your interests and skills? Channel your inner entrepreneur and come up with three businesses you may want to start.

Business ideas
1.
2.
3.

## MAP YOUR CAREER PATH

You may have had a lemonade stand to make money as a kid, but how do you want to earn money in the future?

Not sure where to start? Your school's library and career club are great places to research your interests and potential careers. You don't have to decide on a career right away, so don't limit yourself to one area of interest. You can grow your skills and learn more about your potential careers by taking a class at your local community centre.

You may not be thinking about a career yet but planning ahead will help you in the process of getting there. Based on your brainstorming, come up with three potential careers you may want to pursue in the future. Do some research and determine the average initial salary for each career. Which path will you choose?

Potential career	Salary
1.	\$
2.	\$
3.	\$

Now that you've thought about potential careers based on your interests and skills, what part-time jobs could you start after school or during the summer to help you reach your goals? Brainstorm three jobs that you could start now.

How can you start earning money?
1.
2.
3.

## TRUE OR FALSE?

1.

Only adults can be entrepreneurs.

T / F

2.

Career planning begins with an assessment of your personal interests, skills and goals.

T / F

3.

An entrepreneur is someone who has started his or her own business.

T / F

4.

Education isn't important in order to build your skill set.

T / F

5.

Finding a mentor is a way to get advice about your business idea.

T / F



**YOU'RE READY  
TO START EARNING!**

Key: 1. F, 2. T, 3. T, 4. F, 5. T

# GET SAVVY AT SAVING



## MAKE IT A HABIT

Making smart choices with your money is the first step towards becoming financially fit.

The easiest way to save is to pay yourself first. That means setting aside a certain amount of money you earn and keeping it in a savings account. The key to saving successfully is by making it a regular habit. By saving early and often, you'll set yourself up for a brighter financial future.

It's important to save money for a rainy day, just in case you need it for any unexpected expenses like a broken laptop. Another portion of the money you receive should be set aside for your various goals. These goals can be categorised as short-term, medium-term, or long-term. You can reach your goals by saving your money over time.



### Short-term

- Art supplies
- Musical instrument
- Sports equipment



### Medium-term

- Tablet, smartphone or laptop
- Holiday spending money
- New bike



### Long-term

- College fund
- Space camp
- A car



### Did You Know?

If you save \$5 each week, you will have \$260 by the end of the year.

## SHARPEN YOUR SAVING SKILLS

It's tempting to spend all of your money as soon as you earn it, but you'll be better off in the long run if you save a portion of it.

Think about goals for short-, medium- and long-term savings and then determine how much you can save each month towards each goal. Remember, the amount that you contribute per month toward your goals can't be more than you earn that month. Then calculate the cost of your goal divided by your weekly contribution to find out how long it will take you to reach each goal.

### Short-term goal (1 month)

What are you saving for? \_\_\_\_\_

Cost of goal	Weekly contribution	Time to reach your goal
\$ <input type="text"/>	÷ \$ <input type="text"/>	= <input type="text"/> /week(s)

### Medium-term goal (2-12 months)

What are you saving for? \_\_\_\_\_

Cost of goal	Monthly contribution	Time to reach your goal
\$ <input type="text"/>	÷ \$ <input type="text"/>	= <input type="text"/> /month(s)

### Long-term goal (over a year)

What are you saving for? \_\_\_\_\_

Cost of goal	Monthly contribution	Time to reach your goal
\$ <input type="text"/>	÷ \$ <input type="text"/>	= <input type="text"/> /month(s)

## WATCH YOUR MONEY GROW



Savings accounts enable you to keep your money safe and help it grow with interest. You can open an account and start saving at any age with the help of your parents.



The longer you leave your savings untouched in a bank, the more your money will grow. You should limit how often you withdraw money from your savings account and only do so if you really need it.



When you open a savings account and deposit money into it, the bank will increase your savings by a certain percentage every year. This is called interest.



Compound interest is when you earn interest on both the money you've saved and the interest you earn.



The average savings account interest rate is currently around one or two percent, but it can vary amongst financial institutions and over time. If you save a little each week, then your savings will grow over time with interest.

### Compound interest in action

Let's say you deposit \$50 into your savings account each month at the interest rate of one percentage point. Each year, the interest you earn will help your savings grow. See how one-percent interest will increase your savings over the course of three years when it is compounded monthly:

Year	Balance	Balance + Interest
1	\$600	\$603.26
2	\$1,200	\$1,212.58
3	\$1,800	\$1,828.02

## TRUE OR FALSE?

1.

The longer your money is in a savings account, the more money you will earn.

T / F

2.

The easiest way to save your money is to pay yourself first.

T / F

3.

Compound interest is when you earn interest on the money you've saved and the interest you earn.

T / F

4.

The interest rate on a savings account decreases as you deposit more money.

T / F

5.

A college/university fund is an example of a short-term goal.

T / F



**YOU'RE A SAVVY SAVER!**

# BUDGET BUILDER



## IT'S A BALANCING ACT

You need to buy a jacket, but you also want a new phone. How do you choose?

To make good decisions about spending your money, begin by setting your money goals and then work towards them with a plan in mind. A personal budget is a plan that helps you put the money you've earned towards your savings, expenses (lunch, bus, or entertainment money) or paying off debt (money you may have borrowed).

When you're creating a budget, it's important to understand the difference between something you need to have and something you want to have.

### NEEDS



### WANTS



Remember to take care of your needs first, and then you can think about saving for what you want. A budget will help you to consider your immediate needs and wants but will also prepare you to achieve your long-term financial goals. There may be some short-term goals you can achieve in a matter of weeks, or long-term goals that will take years to attain.

## IT ALL ADDS UP

Start creating a budget by setting goals for how you'd like to spend and save your money over a specific time period.

Be sure to consider everything you may want or need to purchase and separate these things into categories. A ride on the bus would go under "transportation", and a slice of pizza would fall under "food".

Complete the budget below by filling out how much money you would like to spend in different categories each month. The goal of a budget is to have money left over for your savings, so, you should begin by thinking about how much you earn.

Record the money you earn or receive each month.

Monthly Income	
Money Earned	\$
Allowance	\$
Gifts	\$
Other	\$
Total Monthly Income	\$



### Did You Know?

If you save the \$6 you might spend on popcorn during a monthly trip to the movies, you could have \$72 by the end of the year.

Fill in the amounts you'd like to spend on a monthly basis. Remember to prioritise your savings over your expenses and pay yourself first.

Monthly Expenses	
Movies, Music and Entertainment	\$
Clothes and Accessories	\$
Games	\$
Food and Snacks	\$
Transportation	\$
School Supplies	\$
Charity	\$
Other	\$
Total Monthly Expenses	\$

Subtract your total monthly expenses from your total monthly income. This is the total you can add to your savings.

Results	
Total Income	\$
Total Expenses	\$
Total for Savings	\$

Now that you understand how much your wants and needs will cost, you can adjust your habits to meet your saving and spending goals.

## TURN SPENDING INTO SAVING

The goal of a budget is to have money left to save.

Once you can see where you'd like to allocate your money, you may be surprised to find that certain categories add up to more than you would have thought. These can be good opportunities to cut back. The money you may spend on a trip to the mall might be better spent somewhere else, especially if you have nothing in your total savings for the month.

Planning a budget helps you make choices about which goals you want to prioritise.



### SHORT-TERM GOAL

A new book for school



### MEDIUM-TERM GOAL

A new winter coat



### LONG-TERM GOAL

A new smartphone

Practice categorising your spending goals by brainstorming short-term, medium-term, and long-term goals as in the examples provided.

Short-term goals (1 month)	Cost
1.	\$
2.	\$
3.	\$

Medium-term goals (2-12 months)	Cost
1.	\$
2.	\$
3.	\$

Long-term goals (over a year)	Cost
1.	\$
2.	\$
3.	\$

Occasionally, something unexpected happens and you have to spend more money than you had planned. Whether it's something small like stepping on your sunglasses and having to buy a new pair or something bigger like needing a new smartphone, it's always good to have money saved for a rainy day.

## TRUE OR FALSE?

1.

It's important to prioritise a want over a need when creating a budget.

T / F

2.

When you budget, you want to have more income than expenses.

T / F

3.

A budget tracks where your money goes.

T / F

4.

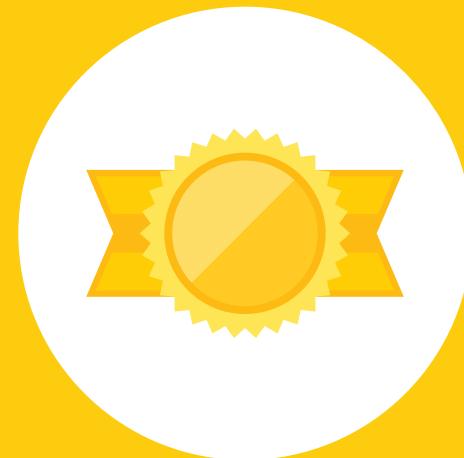
Focussing on saving for your goals is more important than budgeting for a need.

T / F

5.

You should set aside savings in your budget for emergencies.

T / F



**NOW YOU'RE  
READY TO BUDGET!**

Key: 1. F, 2. T, 3. T, 4. F, 5. T

# SMART SHOPPING



## HOW TO SPEND YOUR MONEY WISELY

Spending may seem like the easy part of managing your money, but there are many tips and tricks that can help you save.

As you make smarter decisions with your money and think carefully about your purchases, you will notice that saving a little with every purchase adds up over time. Using a budget and learning to plan your purchases can make it easier to save money.

The key to spending is to stay within your means. Don't spend more money than you have. As you plan to shop, make sure you keep your goals and your budget in mind.

## THINK BEFORE YOU SHOP

When you make a decision, you'll generally have to weight various factors rather than thinking only about how much money you're going to spend.

Before you make a purchase, look at lots of different options to make sure you're getting the best deal. Rather than buying the first expensive pair of gym shoes you see, plan ahead to make sure you're getting the best value by researching quality and comparing pricing at multiple retailers. This is called comparison shopping. The exact same pair may be cheaper at another shop.

If you want to go to a concert, there will be ticket features you want and features you need. When all you need is a basic ticket, you may sacrifice the features you want in order to save money and still enjoy the concert.



**BACKSTAGE VIP**



**GENERAL ADMISSION**

## SO MANY WAYS TO SAVE

When you do finally decide what to buy, you'll notice that you usually have a few options, such as name brands or generic items.

A name brand is one you recognise. If you see one of its products, you're likely to know the manufacturer. A generic brand item is one that typically isn't advertised. Many grocery and multi-purpose stores have their own generic versions of products. Usually, there's no significant difference between the two items besides price. Generic items are usually less expensive, making them a great savings opportunity.



### Did You Know?

If your family buys generic cereal once a week instead of name brand, then they could be looking at \$50 in savings by the end of the year.

## WHAT MIGHT YOU TAKE INTO CONSIDERATION WHEN YOU BUY SOMETHING NEW?

What quality do I want?

What quality do I actually need?

Are there discounts or sales that can help me save?

Have I tried comparison shopping?

What features of this product are most important for my needs? My wants?

What is my budget?

Spending can also pay off in the long run. If you have your own business, then you may need to spend money to be able to better serve your customers. For example, if you start a lawn mowing business in your neighbourhood, then you'll need a lawn mower, gas, and potentially other landscaping tools down the road.

## TRUE OR FALSE?

1.

When you comparison-shop, you go to one shop and buy the first item you see.

T / F

2.

Generic-brand items are usually more expensive.

T / F

3.

When you consider what you want to buy, you shouldn't consider quality.

T / F

4.

There are no steps to be taken before you make a purchase.

T / F

5.

When you're choosing between two items, you should prioritise the features you need over the features you want.

T / F



**BE CONFIDENT IN YOUR PURCHASE DECISIONS!**

Key: 1. F, 2. F, 3. F, 4. F, 5. T

# PAYING IT BACK



## DO YOU WANT TO GO TO COLLEGE OR UNIVERSITY OR PERHAPS BUY A CAR SOMEDAY?

You can reach long-term goals by borrowing money and paying it back later.

You may have borrowed money from a friend for an after-school snack or from your parents to see a football match, but in the future, you may need to borrow more than a few pounds. The cost of post-secondary education or a car is likely to be more than you have in a bank account. Luckily, however, investing in your future or purchasing an expensive item is still possible with a loan. When you borrow money from a bank, it's not free money. You need to pay it back, plus interest. In other words, you must pay back all the money you've borrowed plus extra for the service.

## IT'S PAYBACK TIME

Everyone borrows money at one time or another. If you make a plan to pay the owed money back on time and within your budget, your debt won't get out of control.

Have you watched car commercials where they talk about car-financing deals? In a few years, you might be driving. You may not be able to buy a car today, but for this exercise let's look at how a car loan works. The typical length of a car loan is five years with an interest rate of about five percent. If you're under 18 and want to take out a car loan, you'll need your parent or guardian to be a co-signer.

Car loan	
Total amount borrowed	\$5,000
Interest rate	5%
Length of loan	60 months
Monthly payment	\$92.50
Total cost of loan plus interest	\$5,550.00

## WHAT MIGHT YOU NEED TO BORROW MONEY FOR IN YOUR FUTURE?



A HOUSE



A CAR



COLLEGE OR UNIVERSITY



A BUSINESS

## WHY CREDIT MATTERS

Take control of your credit score by managing your debt.

The amount of debt you have may impact how easily you qualify for future loans once you've turned 18. There is a written record -- a credit history -- that tracks how you've repaid previous loans, any outstanding debt, and other financial indicators in this history. Your credit history determines your credit score, which helps lenders decide the credit risk associated with lending money to you. Credit scores range from 300 to 900. Generally speaking, the lower your credit score, the higher the interest rate you will have to pay on future loans because it's assumed there's a higher risk you might not pay back on time.



### Did You Know?

If you pay back your loans late, you will pay more in interest and late fees than if you paid them back on time.

## TRUE OR FALSE?

1.

Borrowed money is free money.

T / F

2.

You need to pay interest on money you borrow from a bank.

T / F

3.

The later you pay back the money you owe, the lower your credit score will be.

T / F

4.

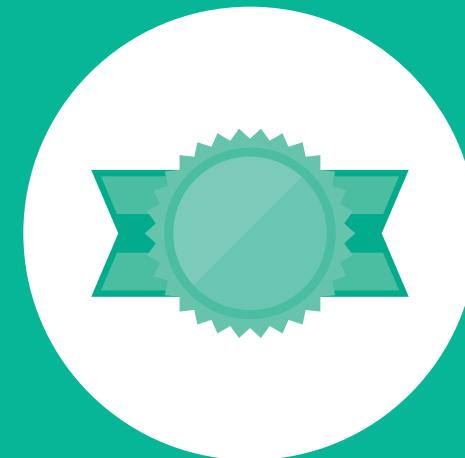
Debt doesn't cost you anything.

T / F

5.

The faster you pay back the money you've borrowed, the lower the amount of interest you'll pay.

T / F



**YOU'RE READY TO  
BORROW WISELY!**

Key: 1. F, 2. T, 3. T, 4. F, 5. T

# KEEP YOUR MONEY SAFE



## PROTECT YOUR DIGITS

Earning money is hard work. It takes time and effort, and it's just as important to protect your money as it is to earn it.

The easiest way to protect your hard-earned cash is to keep it in a safe place. A bank is one of the most secure places for your money because it's the bank's job to keep it safe. You'll have peace of mind knowing where your money is at all times. Just as you wouldn't leave your backpack unattended outside, you shouldn't leave your money where it may be stolen or lost. Protecting your financial information online is just as important as keeping your money in a bank. You can access nearly any information online, but with all that access comes responsibility.

What private information is important to keep safe?



What happens when someone gets ahold of your information? They can use your personal information to steal your identity and illegally obtain jobs, credit accounts, mortgages, and car loans. They may even try to withdraw money from your bank accounts. Luckily, most banks protect accounts from these kinds of crimes, but it's essential to keep your other information safe from the start. Personal information of any kind, even information about your schooling or family, must be kept secure.

## MAKE IT PASSWORD-PROTECTED

It's important to have a plan for the handling of your information, including your bank statements and passwords for important online accounts.

You should always use strong passwords which contain uppercase and lowercase letters, numbers, and symbols. Don't use fully spelled words, which can be recognised. You should know how to access all your online information and paper documents if you need them. Your passwords and documents should be kept in a safe place where they won't get into the wrong hands.



### Did You Know?



Common passwords such as “1234” and “password” are easy to remember, but they’re also the most easily stolen. Change yours often and choose complex passwords to keep your accounts safe.

## KEEP AN EYE OUT

There are a few ways to protect your money and private information.

### Use the Internet Wisely

Everyone receives unwanted emails or spam from unknown sources, which solicit people by sending emails to large numbers of email accounts. Delete spam emails, especially those which ask for personal information, and keep your anti-virus and anti-spyware software up to date. Shop online only on secure web pages (check the address bar for “https” next to a lock icon). Never email or share images of your identification, bank cards, or other personal information on social media.

### Destroy Personal Financial Records

Have your parents helped you set up a savings account at a bank? Your bank will send you monthly statements which tell you how much money is in the account, as well as the number and amounts of withdrawals and deposits. Shred unneeded bank documents and other files which contain your personal financial information so they can't get into the wrong hands.

### Beware of Scams

Your parents may have told you about being aware of scammers. These are people who contact you via phone or email claiming to represent a bank, a credit card company, a government agency, a charity, or any other organisation. Never give out information about your bank account or passport. If you think the request is legitimate, have your parents contact the company to directly confirm its request.

## TRUE OR FALSE?

1.

It's wise to not share photos of your passport on social media.

T / F

2.

You should delete any spam emails that ask for your personal information.

T / F

3.

It's safe to give out your bank information to anyone online.

T / F

4.

Complex passwords include uppercase and lowercase letters, numbers, and symbols.

T / F

5.

A bank is one of the most secure places to keep your money.

T / F



**YOUR MONEY IS SAFE.**

Key: 1. T, 2. T, 3. F, 4. T, 5. T

# SHARE THE WEALTH



## HOW TO GIVE BACK

When you think about tomorrow, what kind of future do you envision?

Whether you're passionate about the environment or about medical research, there are so many worthy causes which are in need of skilled people like you. Giving back can come in many forms. You can give a portion of your savings to charity, volunteer your time, or donate items you no longer use. Making an impact, changing the lives of others, and building a better future are all rewards which benefit you when you give back.

## SHOW YOU CARE

You don't need to give big amounts of money to make a difference. Even small change adds up.

When it comes to money, it's best to give with a plan in mind. Charitable contributions should be included in your budget. However, make sure you prioritise your needs. You wouldn't want to give away all your money and have nothing left for daily life. When you're setting aside money for your goals, think about other ways you can put your money to use. While you may want to save for a new pair of headphones, it can be even more worthwhile to pack away a small amount for causes you care about.

### Did You Know?



Americans collectively throw away \$62 million in coins every year. Keep a jar for your spare change and donate it to a cause of your choice. Those coins really add up!

## CHANGE THE WORLD

Whatever cause you care about, your contribution can make a difference.

When you're saving to give money to charity, make a plan for how much money you want to give. Maybe you want to set aside 10 percent of your allowance each week. If you're getting \$10 per week, that's \$1 each time you receive your allowance. Have you decided on a cause? Reach out to your friends and family and get them involved too. Contributing with a group can make an even bigger impact.

### WHAT CAUSES DO YOU CARE ABOUT?



HUNGER RELIEF



ANIMAL WELFARE



ENVIRONMENT



MEDICAL RESEARCH

### ARE YOU A STRONG STUDENT?

Volunteer your time to tutor other kids in your neighbourhood.



### DO YOU MAKE ARTWORK?

Sell your creations and donate the proceeds to a cause you care about.



### CAN YOU RUN LONG DISTANCES?

Put that to use by entering a charity run.



If you don't have the time to volunteer, consider donating items to charity. Whether it's books you no longer read or clothing which doesn't quite fit, giving your used items to charity can help someone else who needs those things. Go through your unwanted possessions and then find a charity that accepts those types of donations. Make sure the items you give are in good condition. If an item is broken or worn-out, it shouldn't be donated.

## TRUE OR FALSE?

1.

The only way to give back is by  
donating money.

T / F

2.

Giving back can help you improve  
your community.

T / F

3.

You can include charitable donations  
in your budget.

T / F

4.

Charitable contributions should be  
prioritised over needs.

T / F

5.

You should give only items in good  
condition to charity.

T / F



**YOU'RE ON THE WAY TO MAKING  
THE WORLD A BETTER PLACE.**

Key: 1. F, 2. T, 3. T, 4. F, 5. T

# WRAP-UP



## CONGRATULATIONS!

You have completed our guide to money and are on your way towards a bright financial future. Keep up the good work!

Learning how to handle money well isn't an overnight job. It's a lifelong skill. Gaining confidence about managing money is all about understanding good money habits and setting goals.

The best way to improve your money skills is to keep practicing everything you've learned. Whether it's budgeting, saving or spending, the more you do it, the better you'll be at it.

## DO YOU WANT TO LEARN MORE?

Check out these fun resources to help you sharpen your money skills at [www.practicalmoneyskills.com](http://www.practicalmoneyskills.com)



### Rocket's Powerful Plan | Comics

Join the Guardians of the Galaxy in this exciting new comic about the importance of saving money and learning more about wants and needs.

[practicalmoneyskills.com/guardians](http://practicalmoneyskills.com/guardians)



### Back-to-School Budget | Calculators

Consider all your expenses before hitting the shops for back-to-school shopping. Create a budget to save on your school supplies.

[practicalmoneyskills.com/backtoschool](http://practicalmoneyskills.com/backtoschool)



### Avengers: Saving the Day | Comics

Join the Avengers and a special guest in this exciting educational comic about saving money and saving the day.

[practicalmoneyskills.com/savingtheday](http://practicalmoneyskills.com/savingtheday)



### Building an Education Fund | Calculators

Financing a post-secondary education extends beyond the cost of tuition. Don't forget about books, materials, housing, and food. Calculate the total amount you'll need to save.

[practicalmoneyskills.com/buildinganeducationfund](http://practicalmoneyskills.com/buildinganeducationfund)



### Financial Football | Games

Is your brain ready for a workout? Play this NFL-themed Financial Football game and answer financial questions to advance down the field and score.

[practicalmoneyskills.com/financialfootball](http://practicalmoneyskills.com/financialfootball)



### How Will My Savings Grow? | Calculators

Compound interest can have a dramatic effect on the growth of regular savings and initial lump sum deposits. Determine how your savings will grow by analysing your financial habits.

[practicalmoneyskills.com/savingsgrow](http://practicalmoneyskills.com/savingsgrow)



### YouTube | Videos

Check out Practical Money Skills' videos to learn basic financial concepts and more.

[practicalmoneyskills.com/youtube](http://practicalmoneyskills.com/youtube)



### Saving for a Goal | Calculators

If you're having a difficult time putting money aside for a trip or a special purchase, determine how much money you need to set aside each month in order to meet your goal.

[practicalmoneyskills.com/savingforagoal](http://practicalmoneyskills.com/savingforagoal)

For more information, visit  
[www.practicalmoneyskills.com](http://www.practicalmoneyskills.com)  
©2017 Visa Inc.

