

O.M.G.

OFFICIAL MONEY GUIDE FOR TEENAGERS

Spend some. Save some.

Figuring out how to spend your money in a smart way can be challenging.

You can begin by creating two lists. One list which we'll call **NEEDS**—are those things that you simply can't do without. The second list—let's call it **WANTS**— are things you would want to have but aren't absolutely necessary.



What you need:

1. _____
2. _____
3. _____
4. _____
5. _____

What you want:

1. _____
2. _____
3. _____
4. _____
5. _____

Use the **Gotta Have It Gauge** below to really think about what you need and what you want. Now make a combined list of those needs and wants and then prioritize the entire list. What are the top 3? Any surprises? Each time you make a purchase

it should already be something you have listed on your needs and wants list. Otherwise, you have just spent money on something that was not as important.

Run each item on your Wish List through this gauge.

My Spending Wish List

1. _____
2. _____
3. _____
4. _____
5. _____

Gotta Have It Gauge

1. Do I need this?
2. If not, do I really want it? Will I still want it tomorrow?
3. Is this something I must buy now or can I take some time to think about it?
4. Am I sure that it will get used or worn frequently?
5. If I buy it now, will I have enough money left over to buy the other things I'll need soon?

My Spending Wish List in order

1. _____
2. _____
3. _____
4. _____
5. _____

Rewrite your Wish List in order of the most to least wanted.

Budget your Money

You may not know it, but you already know how to budget. The skills you need to budget your money are the same ones you use to budget your time.



Budgeting your money is a lot like budgeting your time. If you know how much money you have and you work out how you'll spend (and save) it, you've got the basics of a budget. It's not that complicated. But making a budget does take some thought. And once you have a budget worked out, the trick is to stick with it.

You'll be surprised how much a budget can help you get control of your money. When you have a handle on your money, you're much more likely to be able to do the things you want, and not have to worry where you'll get the cash.

Use the **Money Diary** worksheet below to keep track of the money you spend and the money you receive this week. You may be surprised at how much money you spend and what you spend your money on. Now look at your income. Think about where you get money. Is it an allowance? Or, do you receive money for special holidays? Or, do you have a job where you earn some money? Now that you see what you spend in a week, does your income cover that spending? If not, it's time to rethink your spending.

My Money Diary for the week of ___ / ___ / ___

INCOME – MONEY THAT CAME IN	
Allowance	\$
Job	\$
Gifts	\$
Other: (specify)	\$
Other: (specify)	\$
Other: (specify)	\$
TOTAL INCOME	\$

EXPENSES – MONEY THAT WENT OUT	
Money for SAVE	\$
Money for DONATE	\$
Money for INVEST	\$
Gifts	\$
School lunch	\$
School supplies	\$
Computer, cell phone, texting expenses	\$
Clothes	\$
Shoes	\$
Shampoo and Conditioner	\$
Make-Up	\$
Eating out (pizza, fast food, restaurants)	\$
Sports equipment/uniforms	\$
Books and magazines	\$
CDs	\$
Movie tickets	\$
Other: (specify)	\$
Other: (specify)	\$
TOTAL EXPENSES	\$

THE INS AND OUTS OF A BUDGET

To work out a budget, you really need to know two things:

How much money you have coming in. That's your **INCOME**.

INCOME



EXPENSES

How much money you have going out. Those are your **EXPENSES**.

Check Your Balance

What is a Checking Account?

You open a **checking account** with a bank or credit union by depositing money into the account. You can then withdraw money, write checks, use a debit card, or have money drawn directly from your account to make purchases or to pay monthly expenses such as rent, utilities like electricity, or loan repayments. You just have to be sure you have **available funds**, or enough money in your account, to cover what you spend.

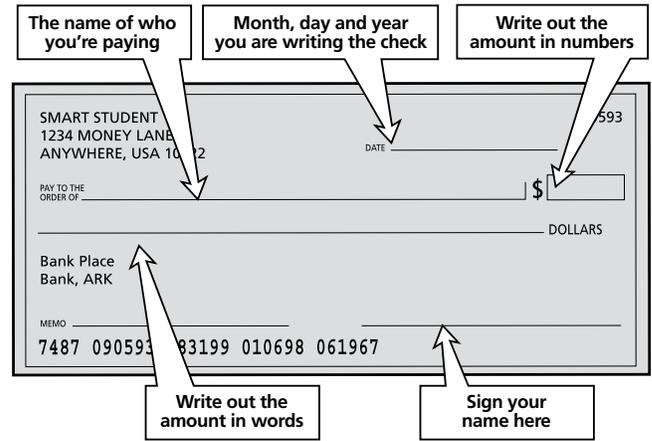
A real plus of having your money in a checking account is that it is insured by the Federal Deposit Insurance Corporation (FDIC). That means that it is safe, even if something happens to the bank where you have your account. Even better, some checking accounts pay interest on your balance. And most banks offer special accounts with lower costs for students.

Since banks charge fees for checking accounts, look for one that charges the lowest amount for the services you want. So ask about their fees for:

- The number of checks you plan to write each month
- Account balances that fall below a required minimum
- Using an ATM
- Paying your bills online

Picking the right checking account is another way to make the most of your money.

How to write a check—As you can see from this example, it's pretty easy to write a check:



Bouncing sounds like fun, but not when it comes to checks

Have you ever heard somebody say they “bounced” a check? It means they wrote a check for an amount greater than the amount of money they had in their checking account. The bank bounces it back to the store, and both the bank and the store usually charge a huge “returned check fee.” It can cost you \$60 or more in fines to bounce a \$5 check!



The best way to avoid bouncing a check is to keep a good record of the checks you've written (and don't forget the ATM withdrawals and debit card purchases!) Record every check in the check register at the end of your checkbook.

Take the Checking Challenge!

In this exercise, you will add the deposits to the checking account, and subtract the amount of those things that were bought with a check or debit card to keep your balance up to date. The amount will equal your final balance.

NUMBER OR CODE	DATE	TRANSACTION DESCRIPTION	PAYMENT AMOUNT	✓	FEE	DEPOSIT AMOUNT	\$
							\$650.00
	5/5	Debit card for pizza	\$ 8.63				A.
101	5/8	Check for books	150				B.
	5/10	Gift from Uncle Buck			250		C.
102	5/11	Check for MP3 player	99				D.
103	5/15	Check for ice cream cake	17				E.
	5/20	Debit card for 3 music CD's	54.54				F.

\$650.00	A. <input type="text"/>	B. <input type="text"/>	C. <input type="text"/>	D. <input type="text"/>	E. <input type="text"/>	YOUR FINAL BALANCE:
- 8.63	- 150.00	+ 250.00	- 99.00	- 17.00	- 54.54	
A. <input type="text"/>	B. <input type="text"/>	C. <input type="text"/>	D. <input type="text"/>	E. <input type="text"/>	F. <input type="text"/>	

Choose the Right Way to Pay



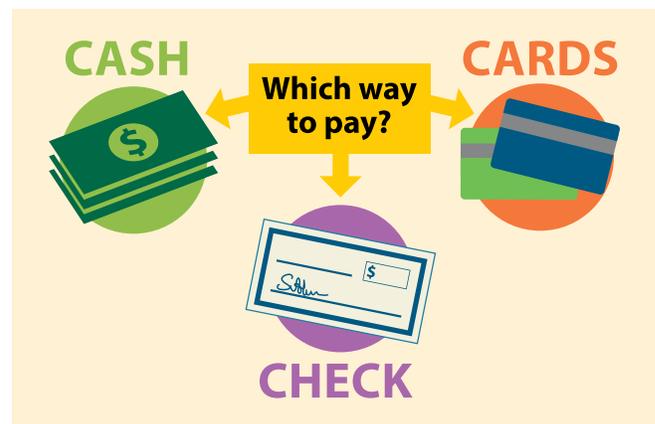
You have several ways you can pay for purchases in stores and online. Should you use your credit card, your debit card or cash? Read the questions below then type an "X" for the correct answer. Check the answer key below to see how you did.

1. You see the needle on your gas gauge approaching "empty". You stop and get gas. What is the best way to pay?
 Credit Debit Cash
2. You are on your way to school and stop at the local donut shop to get a cup of coffee, and well, yes, a donut.
 Credit Debit Cash
3. You are online at your favorite store and want to buy a pair of boots before the snow starts to fall to keep your feet dry and warm.
 Credit Debit Cash
4. You go to get your haircut before graduation. The cut is great and you want to leave a nice tip. What is the best way to pay (for the tip).
 Credit Debit Cash
5. You are at the checkout and the clerk offers you a discount on today's purchase if you open a store credit card and put the purchase on the store credit card.
 Credit Debit Cash
6. You are struggling to pay your bills on time. Your telephone bill and your car insurance bill need to be paid this week.
 Credit Debit Cash

When you buy something, you have to decide how you're going to pay for it.

For small things, like a snack, you'll probably pay cash. But for more expensive purchases or for when you don't have money with you, a debit or credit card can be handy. There are also ways to pay that can save you money and even earn you rewards.

Each type of payment has certain advantages, but also certain risks or sometimes added costs. Being smart about how to pay is another way to use your money wisely.



Answer Key: 1) Cash or Debit. Gas stations can put a freeze on part of your available funds to be sure you will have enough to pay them for the gas. If you are spending close to your limit on your debit card, this could overdraw your account and cause an overdraft fee. 2) Cash. Your local store pays the bank a fee to allow them to accept credit cards. Sometimes that fee can be as high as 3%, reducing the amount of the profit the store could earn on your purchases. 3) Credit. Credit card issuers watch for fraudulent charges. If your card is used by a thief, and you dispute the charge, you can avoid the loss. Debit cards have protection as well, but it can take a couple of weeks to get your money back and that could lead to overdrafts and fees. 4) Cash. If you are going to pay your credit card in full when due, then consider taking advantage of the discount offered. If you are not going to pay your credit card in full when due, then use your regular credit card which will likely have a lower rate of interest. Store credits cards often charge higher interest rates on balances so it is much more expensive to use a store credit card. 5) You have two options: See answer to question #2. Some merchants pass along the interchange fees to employees which reduces that nice tip you wanted to give them for great service. 6) You have two options: 6) Debit. If your credit is bad because you have not paid bills on time, for now, use debit to pay those bills. Begin to use credit sparingly to rebuild your credit.

Protect Your Identity



If someone steals your money, you feel bad or angry, but there is a limit to how much you've lost. But if someone steals your **identity**, you could lose a lot more—and face a huge hassle as well.

Identity thieves are very clever and have many ways to get your information. But for every trick they have up their sleeve, you can take steps to defeat them. In this exercise, it's "Them vs. YOU"! Match the situations on the left with the proper way to protect your identity on the right by writing the correct letter in the box.

THEM

VS

YOU

A. Pickpockets. An identity thief may steal your wallet or purse, or take personal documents from your home.

B. Skimmers. Some identity thieves are skilled at **skimming**. They steal your credit or debit card number as your card is swiped through a processing machine.

C. Dumpster divers: Identity thieves may sift through your mail or trash to find bills, bank and credit card statements, new checks, or credit card offers.

D. ATM Peekers. Some identity thieves peek over your shoulder when you're using an ATM to get your PIN number. They may even set up mini-cams to record you keying in your number.

Defeat them: Shield your PIN so others can't see it as you type it in. Don't assume that anyone nearby is just another person waiting to use the ATM.

Defeat them: Shred all documents that show your account information that thieves could use to open a new account in your name or take money out of an existing one. Always put bills you are paying directly in a mailbox, or mail them at the post office—don't leave them for pickup in your home mailbox.

Defeat them: Take only the cards and forms of ID you absolutely need. Leave all other cards, checks, and IDs—like your Social Security number—at home, hidden in a safe place. Don't leave them lying around, even at home. And *never* attach your PIN to your debit or credit card.

Defeat them: Frequently check your statements or online account activity to make sure that all of the charges are ones that you made, and that the amounts are correct.

