Your Money, Your Future.

A Practical Money Guide for Students

VISA

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

Whether you get a weekly allowance or get paid for walking your neighbor's dog, your first step to handling your money well is to think about short-term and long-term goals. Then make a plan to reach them! It takes a bit of practice to master your money, just like it takes time to learn to ride a bike or master a video game. 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.

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Chapter 1: Earn

Learn to Earn

You have to earn it before you save it

Hard Work Pays Off

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

We all have different talents and abilities. Recognizing those strengths and developing your skills is important. The more knowledge you gain and education you achieve, the sharper your skills will become to help you earn more money.

Investing in your skills and education takes time, effort and money, but will pay off in the long run. Remember, everyone makes different amounts of money, but the goal is to learn to manage any amount of money, big or small.

Fill out the chart below with how you earn your money and how much you make each month.

How do you earn your money?	Earnings
	$ /month
	$ /month
	$ /month
	$ /month
	$ /month
	$ /month
	$ /month
	$ /month
	$ /month

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 running their own catering services.

Get started by asking yourself these questions:

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.

To become an entrepreneur, you'll need to plan ahead and work hard in school. Find a mentor to help you build your business — it could be your parents or friends of your family who can give you advice about your new venture. Challenge yourself, and remember to have fun!

Did You Know?

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

See Your Ideas Come to Life

You may have had a lemonade stand to make money as a kid, but what is your new vision for earning?

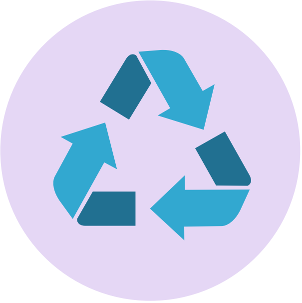
Not sure where to start? Your school's library and career club are great places to research your interests and potential careers. You don't have to decide on a career right away, so don't limit yourself to one interest. You can grow your skills and learn more about your future career by taking a class at a community center, or consider programs at your local college or university offers to younger students.

Are you good with computers?

Teach others how to use them.

Do you love animals?

Start a pet sitting business.



Do you care about the environment?

Collect recyclables in your home and neighborhood.

True or False

1. Only adults can be entrepreneurs. **T / F**

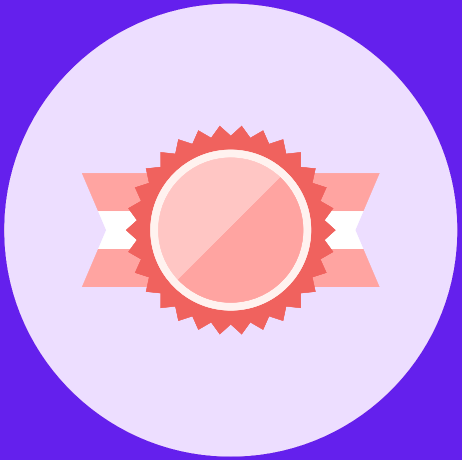
2. Planning your career starts with an assessment of your personal interests, skills and goals. **T / F**

3. An entrepreneur is someone who has started his or her own business. **T / F**

4. Education isn't important to build your skill set. **T / F**

5. Finding a mentor is a way to get advice about your business idea. **T / F**

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



You're Ready to Start Earning!

Chapter 2: Save

Get Savvy at Saving

How your money can work for you

Make Saving a Habit

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

The key to being a saving success is making it a regular habit. By saving early and often, you'll set yourself up for a brighter financial future. A portion of the money you receive from allowance or a part-time job should be set aside for your various goals. These goals can be categorized as short-term, medium-term or long-term. You can reach your goals by saving your money over time.

Short-term goals
Art supplies
Music lessons
Sports equipment

Medium-term goals
Tablet, smartphone or laptop
Holiday spending money
New bike

Long-term goals
College fund
A car
Space camp

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.

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. You can enjoy an after-school snack with your friends and still have money left over to contribute to your savings account every month.

Short-term goal (1 month)

What are you saving for? ____________________

Cost of goal		Weekly contribution		Time to reach your goal
$	÷	$	=	/week(s)

Medium-term goal (2-12 months)

What are you saving for? ____________________

Cost of goal		Monthly contribution		Time to reach your goal
$	÷	$	=	/month(s)

Long-term goal (over a year)

What are you saving for? ____________________

Cost of goal		Monthly contribution		Time to reach your goal
$	÷	$	=	/month(s)

Watch Your Money Grow

Saving is all about interest.

Talk to your parents about opening up a savings account so that you can start saving!

The longer you leave your savings untouched in a bank, the more your money will grow.

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 0.06%, but can vary between financial institutions and over time. If you save a little each week, 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 a 1% interest rate. Each year, the interest you earn will help your savings grow. See how 1% 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 both the money you've saved and the interest you earn. **T / F**

4. The interest rate on savings accounts decreases as you deposit more money. **T / F**

5. A college fund is an example of a short-term goal. **T / F**

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

You're a Savvy Saver!

Budget Builder

How to plan for success

It's a Balancing Act

You want to go out to the movies with your friends, but you also want to buy a new phone. How do you choose?

Start by setting your money goals and work toward achieving them with a plan in mind. A personal budget is a plan that helps you put the money you've earned toward savings, expenses (lunch money, bus money, entertainment, etc.) or paying off debt (money you may have borrowed from your parents, friends or siblings).

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

Remember to take care of your needs first, so you can think about saving for what you want. A budget can not only help you consider your immediate needs and wants, but prepare you to achieve your financial goals. You may have some short-term goals that 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 tracking where your money goes over a specific time period.

To keep track, you can take pictures of your purchases, save your receipts or make a note each time you make a purchase. You might even have a bank account that keeps track of your purchases for you. At the end of the month, make a list of the purchases you've made. As you're compiling this list, separate your expenses into categories. A ride on the bus would go under transportation. A slice of pizza, under food.

Complete the budget by filling out how much money you earn and spend in a month. The goal of a budget is to have money left over for saving. If your total for saving is $0 or less, it's time to rethink what you earn and spend.

Record the money you earn or receive each month below.

Monthly Income		
Money Earned	$	/month
Allowance	$	/month
Gifts	$	/month
Other	$	/month
Total Monthly Income	$	/month

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 spend monthly below.

Monthly Expenses		
Movies, Music & Entertainment	$	/month
Clothes & Accessories	$	/month
Games	$	/month
Snacks	$	/month
Transportation	$	/month
School Supplies	$	/month
Charity	$	/month
Other	$	/month
Total Monthly Expenses	$	/month

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

Results		
Total Income	$	/month
Total Expenses	$	/month
Savings	$	/month

Now that you know how much you spend, you can adjust your habits to meet your saving and spending goals.

Turn Spending Into Saving

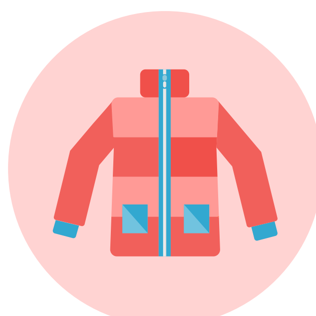
The goal of a budget is to have money left to save.

Not sure where to cut back? Remember, the little things add up. Once you can see where your money goes, you may be surprised at certain categories where you are spending more than you thought. These can be good opportunities to cut back. That money you spent on a trip to the candy store might be better spent somewhere else, especially if you have $0 in your total savings for the month, or worse, if you spent more than you earned.

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

Short-term goal
A new book for school

Medium-term goal
A new winter coat



Long-term goal
A new stereo

List short-term, medium-term and long-term goals like the examples provided.

Short-term goals (1 month)
1.
2.
3.

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

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

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

True or False

1. It is important to prioritize 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. Focusing 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**

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

Now You're
Ready to Budget!

Chapter 4: Spend

Smart Shopping

How to spend your money wisely

Spending Can Pay Off

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

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. Sometimes, spending can also pay off in the long run. If you have your own business, 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 neighborhood you'll need a lawn mower, gas and potentially other landscaping tools down the road.

Think Before You Shop

When you make a decision, you are often weighing a lot of factors — not just 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 choosing an expensive pair of shoes at first glance, plan ahead to make sure you are 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 store.

The tickets you want

The tickets you buy

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 brand or generic items.

A name brand is recognizable; if you see one of its products you are likely to know who the manufacturer is. A generic brand item is one that typically isn't advertised. Many grocery and multipurpose stores have their own generic versions of products. Most of the time, there's no significant difference between the two items besides price. Generic items are usually less expensive — making them a great saving opportunity.

Did You Know?

If you buy generic cereal once a week instead of name brand, you 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?

What is my budget?

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

Have I tried comparison shopping?

True or False

1. When you comparison shop, you go to one store 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 that should be taken before you make a purchase. **T / F**

5. When you're choosing between two items, you should prioritize features you need over features you want. **T / F**

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

Decide What to Buy with Confidence!

Paying it Back

When you need to borrow a little extra cash

Borrow for Tomorrow?

Do you want to go to college? Someday buy a car?

You may have borrowed money from a friend for an after-school snack or from your parents to see a baseball game, but in the future you might need to buy a new car someday. The cost of going to college or buying a car is usually more than you have saved in your bank account. Luckily, 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 have to pay it back, plus interest. This means you have to pay back all the money you borrowed plus a little extra for the service.

It's Payback Time

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

Ever see car commercials where they're talking about 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. A typical length of a car loan is five years at about a 4% interest rate. What does that look like in real life? Let's take a look.

Car loan	
Total amount borrowed	$5,000
Interest rate	4%
Length of loan	60 months
Monthly payment	$92
Total cost of car plus interest	$5,524.96

What might you need to borrow money for in your future?


Car


House


College


Business

Be Debt-Free

Debt is expensive. If you owe more money than you can pay back, that means that you're in debt.

The amount of debt you're in may impact how easily you can qualify for future loans. There is a written record, or credit history, that tracks how you've repaid previous loans, any outstanding debt and other financial history. Generally, 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 it back on time.

Did You Know?

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

True or False

1. Borrowed money is free money. **T / F**

2. You have to pay interest on money you borrow from a bank. **T / F**

3. The more 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 borrowed, the lower the amount of interest you will pay. **T / F**

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

You're Ready to Borrow Wisely

Chapter 6: Protect

Money and Responsibility

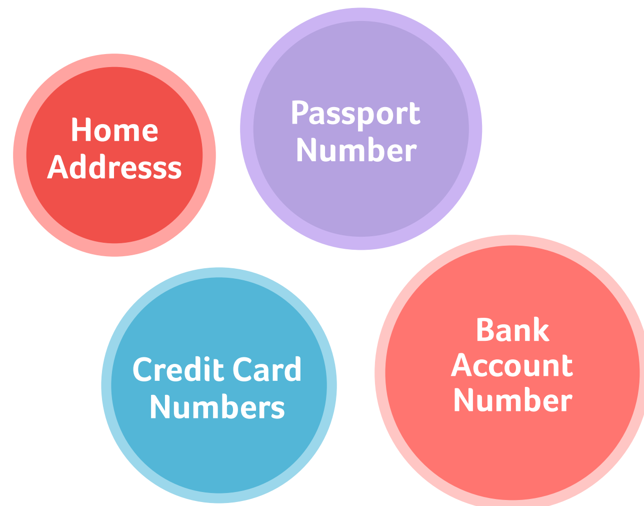
How to spend your money wisely

Safeguard 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 make 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. It will give you peace of mind knowing where your money is at all times. Just like you wouldn't leave your backpack unattended outside, you shouldn't leave your money where it could be stolen or lost. Protecting your money and 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 also comes responsibility.

What private information is important to keep safe?



So 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 — not to mention withdraw money from your bank accounts. Luckily most banks protect your account from those kinds of crimes, but it's essential to keep your other information safe from the start. Personal information of any kind is important to keep secure, even information about your schooling or family.

Make it Password Protected

It's important to put a plan into place when handling your information, including your bank statements and pass-words for important online accounts.

Strong passwords should contain uppercase and lowercase letters, numbers and symbols — not recognizable spelled out words. You should know how to access all your online information and paper documents if you need them. Your pass-words and documents should be kept in a safe place where they can't get into the wrong hands.

Did You Know?

Common passwords like '1234' and 'password' are easy to remember, but they are 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 a large number of email accounts. Delete spam emails, especially those that ask for personal information, and keep your antivirus and anti-spyware software up-to-date. Shop online only on secure web pages (check the address bar for "https" next to an image of a lock). Never email or share images of your identification, bank cards or other personal infor-mation on social media.

Destroy Personal Financial Records

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

Beware of Scams

Never give out information about your bank account or passport via phone or email to someone claiming to represent a bank, a credit card company, a government agency, a charity or any other organization. If you think the request is legitimate, have your parents contact the company directly to 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**

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

Your Money is Safe

Chapter 7: Give

Share the Wealth

How to give back

What Goes Around, Comes Around

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 that 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 that benefit you when you give back.

Show You Care

You don't have 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 prioritize your needs. You wouldn't want to give away all your money and have nothing left for your 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?

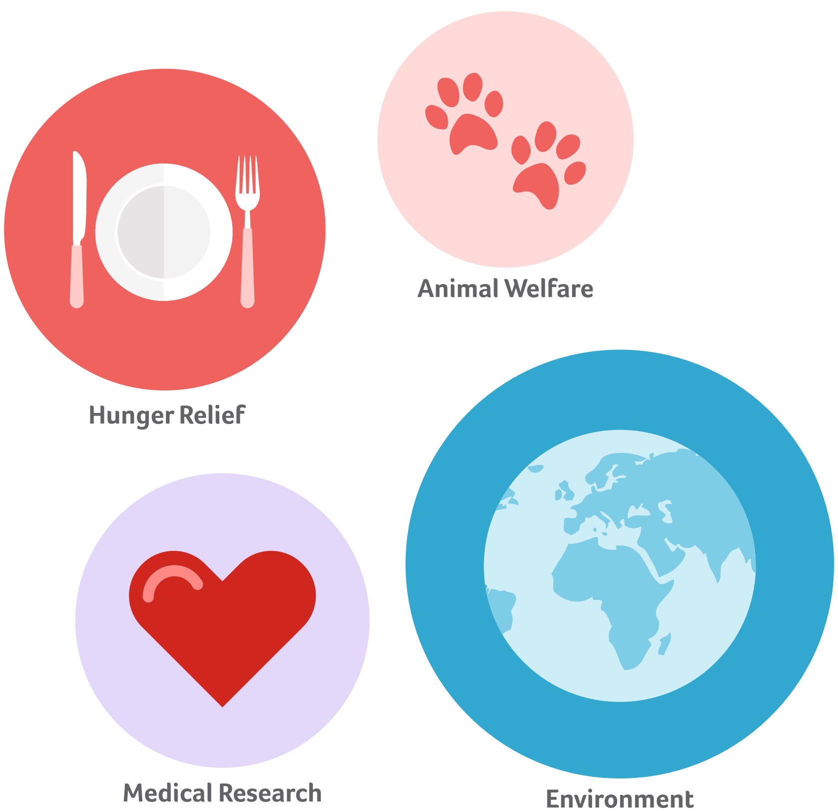
Americans collectively throw away $62 million in coins every year. Keep a jar for your spare change and donate it to a cause of your choice. Those coins really add up!

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% 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.

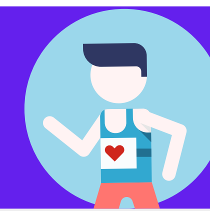
What causes do you care about?



Are you a strong student?
Volunteer your time to tutor other kids in your neighborhood.

Do you make artwork?
Sell your creations and donate the proceeds to a cause you care about.

Can you run for miles?
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 don't read anymore or clothes that don'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 — don't give an item that's broken or worn out.

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 prioritized over needs. **T / F**

5. You should give only items in good condition to charity. **T / F**

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

You are on Your Way to Making the World a Better Place

Wrap-Up

What did you learn?

Congratulations!

You have completed our guide to money and are on your way to 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 at it you'll get.

Do you want to learn more?

Check out these fun resources to help you sharpen your money skills at 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

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

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

Financial Soccer | Games

Put your financial skills to the test with Visa's World Cup–themed Financial Soccer, a multiple-choice-question video game. Are you ready to play?
practicalmoneyskills.com/financialsoccer

Youtube | Videos

Check out Practical Money Skills' videos to learn basic financial concepts and more.
practicalmoneyskills.com/youtube

Lunch Tracker | Calculators

What are you spending on lunch? Calculate your spending, learn cost-cutting tips and save money.
practicalmoneyskills.com/lunchtracker

Back-to-School Budget | Calculators

Consider all of your expenses before hitting the stores for back-to-school shopping. Create a budget to save on your school supplies.
practicalmoneyskills.com/backtoschool

Building an Education Fund | Calculators

Financing a college 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

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 analyzing your financial habits.
practicalmoneyskills.com/howwillmysavingsgrow

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

Econ 101 | Lessons

Whether you want a crash course on money markets or on stocks, Practical Money Skills' lessons make it easy to understand the economy.
practicalmoneyskills.com/econ101

For more information, visit
www.practicalmoneyskills.com