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 get to choose how to use it.

Whether you get a weekly allowance or get paid for walking your neighbor's dog, your first step in 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. 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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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 recognize your strengths and develop your skills so that you can excel at what you do. By investing in your education and interests, you will set yourself up for a path to success.

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

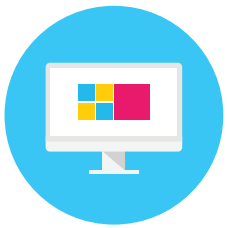
Did You Know?

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 organized 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 neighborhood.



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 that you might 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 center.

You might 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 that you might 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. 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!

GET SAVVY AT SAVING



MAKE IT A HABIT

Making smart choices with your money is the first step toward 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 categorized 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 a short-, medium- and long-term savings goal and determine how much you can save each month toward 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
$	÷	$	=	/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



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 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 a savings account 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

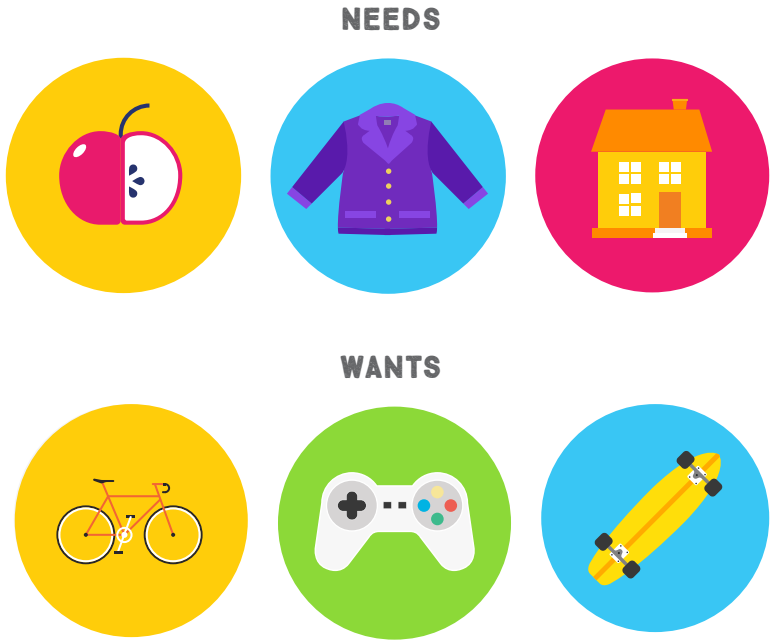


IT'S A BALANCING ACT

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

To make good decisions about how to spend your money, 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, bus or entertainment money) or paying off debt (money you may have borrowed).

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 long-term 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 setting goals for how you would 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 those 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 saving, so you should start by thinking about how much you earn.

Record the money you earn or receive each month below.

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 would like to spend monthly below. Remember to prioritize your savings over your expenses and pay yourself first.

Monthly Expenses	
Movies, Music & Entertainment	$
Clothes & Accessories	$
Games	$
Food & 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 would like to allocate your money, you may be surprised by certain categories that add up more than you thought. These can be good opportunities to cut back. The money you spent on a trip to the mall might be better spent somewhere else, especially if you have $0 in your total savings for the month.

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 smartphone

Practice categorizing your spending goals by brainstorming short-term, medium-term and long-term goals like 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.	$

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 a new smartphone, 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**

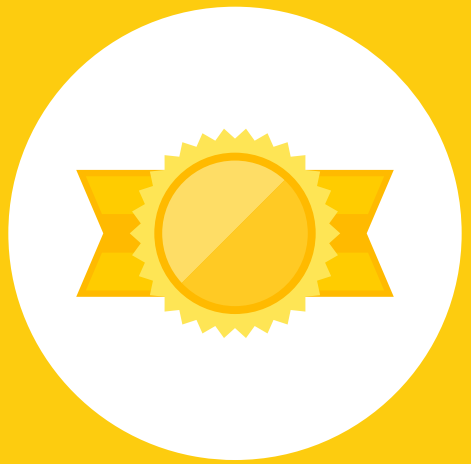
2. When you budget you want to have more income than expenses. **T** / **F**

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!

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 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 buying the first expensive pair of gym shoes you see, 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.

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, while still enjoying 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 recognizable; if you see one of its products you are 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. 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 savings opportunity.





Did You Know?

If your family buys generic cereal once a week instead of name brand, 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?

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.

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



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

You can reach your 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 baseball game, but in the future you might need to borrow more than a few bucks. 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 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 be out of control.

Have you watched car commercials where they're talking 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. A typical length of a car loan is five years at about a 4% interest rate. If you are under 18 and want to take out a car loan, you will need your parent or guardian to be a cosigner.

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

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



WHY CREDIT MATTERS

Take control of your credit score by managing your debt.

The amount of debt you're in may impact how easily you can qualify for future loans after you turn 18. There is a written record, or credit history, that tracks how you've repaid previous loans, any outstanding debt and other financial history. Your credit history determines your credit score, which helps lenders decide the credit risk associated with loaning you money. Credit scores range from 300 to 850. 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 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**

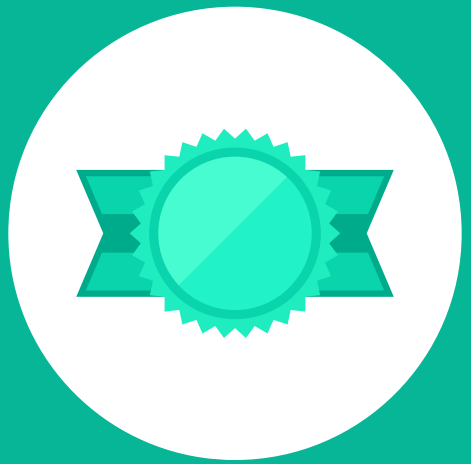
2. You have to pay interest on money you borrow from a bank. **T** / **F**

3. The 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**

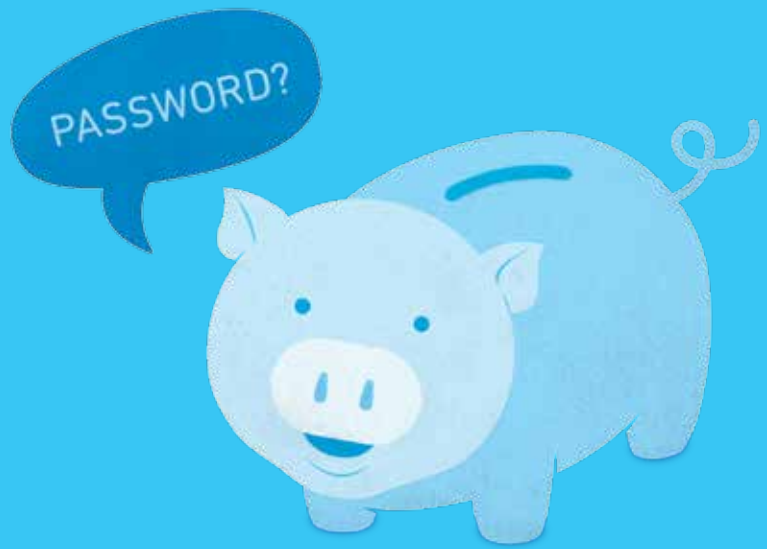
5. The faster you pay back the money you borrowed, the lower the amount of interest you will pay. **T** / **F**

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



YOU'RE READY TO BORROW WISELY!

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 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 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 also 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 — 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 passwords for important online accounts.

You should always use strong passwords, which 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 passwords 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 anti-virus 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 information 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

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 organization. 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**

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



YOUR MONEY IS SAFE.

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 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 donate 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**

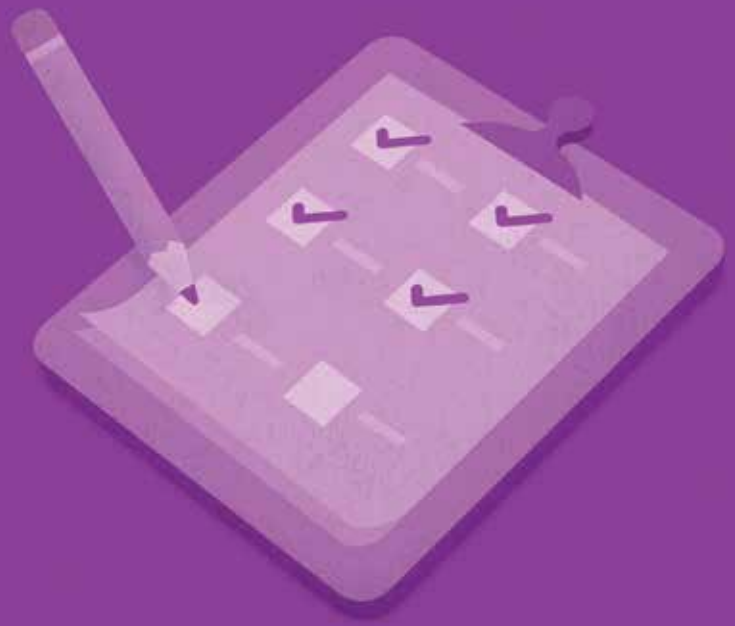
5. You should give only items in good condition to charity. **T / F**

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





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 game, 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



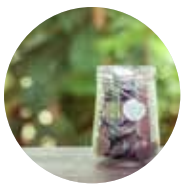
Back-to-School Budget | Calculators
Consider all of your expenses before hitting the stores for back-to-school shopping. Create a budget to save on your school supplies.
practicalmoneyskills.com/backtoschool



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/savingsgrow



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 | Articles
Whether you want a crash course on money markets or on stocks, Practical Money Skills' articles make it easy to understand the economy.
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