

Financial Literacy



Tips and Information

Learning how to manage your money is one of the most important skills you will learn in life. Building good financial habits now will put you ahead of the game and on your way to financial success!

Be a smart spender

Think about the things you spend your money on and differentiate between *wants* and *needs*. To have more money for the things you want, find ways to reduce the costs of the things you need. Most importantly, spend your money on things that are truly important to you.

Have a budget

A budget is a plan that helps you decide how you're going to spend your money over a designated period of time. To create a budget, you can use a simple pen and paper system, or you can use a budgeting app. Every time you make a purchase, withdraw cash, or make a deposit, you simply enter it in the app or worksheet.

Save your money

Look at saving money as "paying yourself first." Whenever you receive money, deposit some of it directly into your savings account before spending it on anything else.

Remember that saving money is a gradual process, and it's okay to start small. Over time, your savings will grow.

Understand credit

Just like your GPA tells others how well you did in school, your credit record lets others know how well you manage your money.

Build good credit. Banks and businesses want to give loans and extend credit to people whose credit report shows that they have been financially responsible in the past. In other words, they want to lend their money to people who have good credit. *The best way to build good credit is to always pay your bills in full and on time.*

Know your score. When you have a credit card, take out a loan, or open a bank account, lenders and creditors provide information on your accounts (and your performance) to one or more of the three major credit bureaus. The credit bureaus then use this information to create your credit report and credit score. Banks and lenders check your credit report and score to help them make decisions about things like whether or not to give you a loan. *Having a good credit report is very important!*

Grow your money

Investing can seem overwhelming and complicated—which is one of the reasons many people don't bother with investments. But the earlier you start investing, the more time your money has to grow.

To begin investing, you just need a small sum of money, an interest in growing it, and the willingness to do a little research. E*TRADE and TD Ameritrade are inexpensive online brokers, and they can be a good place for a young investor to start.

To learn about investment options, check out this short video.

