

Contents

Introduction	7	<i>Chapter 10</i>	How To Give Money	
<i>Chapter 1</i>		Wisely	79	
Money Basics	9	<i>Chapter 11</i>	How To Make Money	
<i>Chapter 2</i>		with Money	89	
How Banks Work	15	<i>Chapter 12</i>	How To Spend	
<i>Chapter 3</i>		Money	97	
Checking Accounts	25	<i>Chapter 13</i>	How To Buy a Car	103
<i>Chapter 4</i>		<i>Chapter 14</i>	How To Pay for	
Reconciling a Checking		College	111	
Account	33	<i>Chapter 15</i>	How To Get a Job	117
<i>Chapter 5</i>		<i>Chapter 16</i>	How To Keep a Job	127
Money Management		<i>Chapter 17</i>	How To Rock the	
Made Easy	41	World with Your	Money	133
<i>Chapter 6</i>		Forms	139	
Controlling Bigger				
Budgets	49			
<i>Chapter 7</i>				
Anatomy of a Loan	57			
<i>Chapter 8</i>				
Credit Cards	65			
<i>Chapter 9</i>				
The Dangers of				
Borrowing	71			

CHAPTER

1

Money Basics



Chapter 1

Money Basics

The average American teenager spends nearly \$3,000 a year. Does that number seem too high to you? Add up all the money you get from your parents, plus any jobs. And don't forget those birthday checks. Your total may be less than \$3,000, but it still adds up to a decent stack of cash. Let's look at where your money went—and why.

Learning About Money

Money is one of the world's most popular inventions. Just about everyone enjoys having money. We like to win money. We like to save money. And we *love* to spend money.

American teenagers spend over \$90 *billion* each year! What's more, everyone from Nike to Nintendo knows this fact—and they want their share. The people who sell music, movies, munchies, make-up, milk shakes, and Macintoshes have your number. And they are running it through their calculators and thinking, "How much money can we get teenagers to spend on *our* products?"

If you don't take control of your money, someone else will.

Why should you learn how to manage your money? Because if *you* don't, *someone else* will. Youth marketers are spending billions in advertising, employing an army of marketing experts, and inventing powerful and creative ways to separate you from your money.

Of course, some of what they sell is stuff you need. And much of it is stuff that makes your life more enjoyable. But wouldn't you like to have *more* money to buy the things that are important to you and at the same time experience the following?

- Pay fair prices for quality items.
- Avoid being ripped off by misleading ads and salespeople.
- Stay out of debt.

- Save up for a car, college, your own business.
- Give money that will make a difference in the world.
- Have money to do fun things with your friends.

That's what this book is all about. We'll show you how to take back the control of your money so you can do these things. You'll learn skills that will help you right now *and* prepare you for a successful financial future. These skills work on *any* amount of money: a \$5 allowance or a \$5,000 paycheck. Whatever your financial situation, you can manage it with these skills.



Count Your Money

How much money passes through your hands in a year? In the spaces below, write how much money you get on average in a year. If you can't remember what you got last year, calculate it on one month and multiply by twelve. You'll be surprised!

Allowance: If you receive allowance weekly, multiply it by 52. TOTAL _____

Odd jobs: If you have or had a variety of odd jobs, you might want to list them separately. For example, newspaper route, babysitting, mowing lawns.

1. _____ 4. _____
2. _____ 5. _____
3. _____ 6. _____ TOTAL _____

Extra money from parents: This might include money you borrowed while you were out shopping (don't forget to repay it) or just extra gifts of money for specific needs, outings, and so on. We've suggested some categories and left blanks for others.

1. Lunch money: _____ 4. Gift: _____
2. Outings: _____ 5. _____
3. Achievement reward: _____ 6. _____ TOTAL _____

Birthday: _____ TOTAL _____

Christmas: _____ TOTAL _____

Gifts from others besides your parents: aunts and uncles, family friends.

1. _____ 3. _____
2. _____ 4. _____ TOTAL _____

Other money you received from places other than those mentioned above.

1. _____ 3. _____
2. _____ 4. _____ TOTAL _____

Now add the totals from all the sections. **YEAR TOTAL** _____

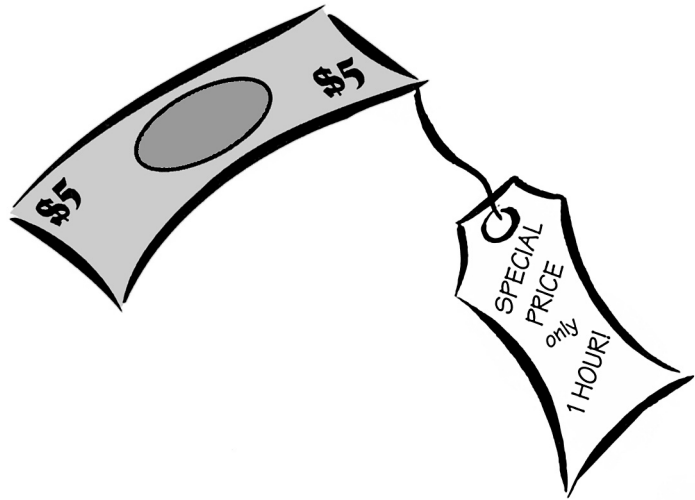
How To Buy Money

Before we talk about how to manage money, you need to understand where money comes from. As our parents have told us (3,000 times), “Money doesn’t grow on trees.”

Simply put, you actually *buy* money. Does that sound weird? You can purchase money with all sorts of things.

You can buy money with *stuff*. If you’re a farmer, you pay in pigs, peaches, or potatoes. If you own real estate, you can offer acres, apartments, or office buildings. Just about *anything* can be used to purchase money—that is, if somebody wants what you have and has enough money.

Most of us buy our money with our time and talents. Talents come in different denominations: You can buy \$5 in one hour if you know how to alter someone’s dress. You can buy \$5,000 in an hour if you can replace someone’s heart. The more talent you have, the more that hour is worth (as long as someone’s willing to trade with you).



Of course, time doesn’t grow on trees either. Every hour you sell for money is no longer available for other investments—friendships, family, God, education, fun, and sleep. How much time you sell depends on how much these other priorities are worth to you.

Putting a Price Tag on Money

Some people pay a very high price for money. They sacrifice their families, their friendships, their faith. In other words, they “pay the price” with these things. (So *that’s* where the expression came from!)

Where your treasure is, there will your heart be also.
—Jesus

What’s money worth to you? You set the price. You need a certain amount of money to support other priorities. (Your mom or dad sells time *away* from the family so he or she can afford to buy time *with* the family—a family that’s fed and clothed and under a roof.)

If saving money for your future, or giving to your church, or helping the needy, or going on a trip with your youth group is important to you, you’ll have to sell some time to do it. In a way, time *is* money.

Good money management gives you more money and more time for what's important to you.

That's why you must take control of your money. If you waste money through bad management, you have less money for your priorities. Then you have to spend more time *working* to buy more money—time away from your priorities.

All of this money management stuff is especially important for Christians. The Bible tells us that God is the owner of everything in this world. That includes you, your time, and your money. You don't really *own* anything! You're just managing these things for God.

God wants you to make wise investments with *His* time and money. He has great plans for you. He wants you to use this time and money to make a difference in the lives of the people around you. If you waste His resources, you can't do all the great things He's got planned for you. If you manage wisely, He'll use you to rock the world!

The lessons in this book will help you take the control of this time and money away from marketing and salespeople, lenders, and employers, and put it where it belongs: with you and God.



Rewind

1. American teenagers spend over \$90 billion a year. Youth marketers know that—and they want their share.
2. Good money management takes the control of your money out of youth marketers' hands.
3. Most people get money by selling their time.
4. You set the price on money. What you're willing to pay for it depends on your priorities.
5. Good money management gives you more money and more time for what's important in your life.