

# 5 FINANCIAL RULES OF THUMB **FOR TEENAGERS**

Follow these **five simple rules** to make smart decisions about your money and be able to afford the things you need and want through life.



## **1** PAY YOURSELF FIRST

Take control of your money! It's important to save some of your income before paying for expenses. You can choose a dollar amount or a proportion of your income to save (e.g. 10%). Save first, then spend what's left.

## **2** SPEND LESS THAN YOU EARN

Set a budget so you don't spend more than you earn. Using buy-now, pay-later or other forms of credit can lead to debts you can't repay. Following a set budget lets you control where your money is going.



## **3** SHOP AROUND

Take time to shop around for the best price, do some research and don't be afraid to negotiate. Every dollar you save on a purchase, is a dollar you can use for something else.



## **4** TIME IS MONEY

A great way to get time working for your money is to find a bank account which earns higher interest for your savings. Leave your money there and watch compound interest make it grow over time.



## **5** SLEEP ON IT

Before you spend on an impulse buy, stop and think about whether you really want or need it. Can you afford it? Did you budget for it? Will you regret it? When it comes to big purchases, wait a day before handing over your money.

