

What's Your Financial Path?

Planning what to spend now and save to spend later can help kids reach their financial goals. Read about understanding financial paths and spending now with your child or classroom to help them grasp these important concepts.



You have goals. Big ones, most likely! But an overwhelming number of young people - 83% - admit they don't know much about managing money.¹ And only 38% of young people say they are currently putting money aside to spend later.² If you're like most teens, your goals are a combination of short-term wants, like having some cash for a movie, and long-term desires, like saving for college or buying a car.

So here's the real question: What do you want and what's your plan for getting there?

First, stop thinking of money in two buckets - spending and saving. It's really all spending. The difference is whether you're planning to spend now or spend later.

Create a spending plan that will help you meet your goals. Keep track of your progress and don't be afraid to make changes if something isn't working.

What?	What's your goal?
How Much?	How much do you think your goal will cost?
When	When do you want to reach your goal?

Spending Now.

Every year about \$259 billion is spent on and by young people like you.³ But do you really know what you're spending your money on? Imagine that you want a new tablet to build a new app you're thinking about developing. First, you'll need to do your homework: Do you know which one you want? How much does it cost? Is it the best product for your needs? Then you just need to tuck some money aside each month until you have enough to buy your dream tablet.

Here's the problem: Retailers use a variety of marketing strategies to get people to spend their money now instead of later. Impulse buys are purchases that are made for immediate enjoyment, like a candy bar at the checkout, a T-shirt at a concert, or an extra snack at the movie theater. They are not planned purchases like the tablet we mentioned above.

Check the impulse! One study found that 9 out of 10 shoppers make impulse purchases,⁴ so think carefully about your long-term goals before spending:

- Did I want this before i came into the store?
- Is there a sale sign, a coupon, or other advertising that is tempting me to buy this item?
- Is the price reasonable?
- How much longer will it take me to make my larger purchase if I spend now?

1: ING DIRECT USA Survey (<http://prn.to/1A4sdGw>)

2 and 3: CreditDonkey, 23 Teenage Consumer Spending Statistics (<https://www.creditdonkey.com/teenage-consumer-spending-statistic.html>)

4: The Checkout conducted by The Integer Group® and M/A/R/C Research (<http://www.prnewswire.com/news-releases/study-shows-nine-out-of-ten-shoppers-make-impulse-purchases-147733645.html>)

Keep going, you're doing great!

Next Skill