

Finances

There is NOTHING more important than to learn to be smart about your finances. It starts when you are young. Learn to budget your money and STAY within your budget. Read about putting away money from each paycheck and learning to live WAY BELOW your paycheck. You don't want to be what the world will tell you to do—live paycheck to paycheck and with credit cards. You want to learn to be financial stable and free from owing any man anything.

If you are young and are able to stay at home, think about saving most of your paycheck so that you can purchase your home. You will be much better off in the long run if you can buy your home for cheap and fix it up by yourself. It may seem like a huge expense, but if you saved 1-3 years of your income, you should be able to pay cash for a fixer upper home. Then take the time to learn new skill sets by fixing it up. When the time comes and you are to get married, you will have a new house, PAID for to show your bride that you have been working diligently towards your future. Nothing will be more impressive. Plus not having that added expense in your life will be a HUGE blessing.

Do the same for your vehicle. Save up and pay cash for your vehicle. Actually pay cash for all of your purchases avoid the trap of credit. It will only ruin you.

Personal finance

You can take entire courses on personal finances and learning how to budget your money. The one main point that you need to know and embed in your brain for your entire life is:

Do not spend more than you make!

If you start now when you are young and continue onward while you begin making more money, you will be financially stable. Most people get into this thought of, "I am making money I deserve to have new things!" Or they start hearing about the "buy now, pay later" campaign and get into the horrible scheme of credit card debt. If you learn to put some money away for an emergency savings and then how to budget your money you won't have to worry about falling victim to that scam. If you choose to live without all the frivolous things that your friends may be wasting their money on you will be far better off in your future. It might seem like a punishment, but if you can live like no one else will at this young age, you will live like no one else will as you get into your early twenties.

Avoid any type of purchases that require you to make payments. If you can pay cash for something up front, you will avoid interest and fees. When you use a credit card and "borrow" money from the company or pay on a payment plan to another company, you are paying them interest to "use" their money. How much better to save up and pay cash for the item to avoid any fees. It is much better to wait four months and save to pay cash for something verses paying for years on a payment plan.

Avoid the statement that you have to build your credit score so you need to take a payment. That is a myth that you can easily read about online as false. Companies just want you to pay for years on interest payments when if you just saved up for a year or two you could pay cash for your vehicle and then own it yourself. The problem with taking a car payment or a payment on an item is that generally

you will still be paying for your purchase and the item will be already passed its new stage and in need of repairs. You will be stuck paying for your monthly payment and paying for repairs. “Cash on the barrel,” is an old phrase that is a good one to live by.

It is not impossible to save up and buy a car. Buy cheap the first time. Take care of your car and continue to save the same amount each month. In a year’s time you can sell your car and then take that money amount and the amount that you have been setting aside and buy a better car. You can continue to do this and within a few years have a really nice car all paid for.

Look for ways to buy things cheap. Even though all your friends might be buying things new at the mall, think second hand stores. You can buy some really great clothing options at a huge fraction of a price compared to store bought prices.

If you have to buy snacks or food, think to buy them in bulk or make your own. You can buy a large bag of chips and then separate into smaller bags to have individual snack bags at a fraction of the price.

For gifts, think of homemade gift ideas. If you do an internet search on inexpensive homemade gifts there are tons of great ideas. There are so many great ones that people will really enjoy. Most would appreciate a homemade gift over store bought any day.

Avoid the sales pitch. Just one television commercial or sales person at the store can make you feel that you “have” to have that product. Let me tell you that sales people work on commission. Commission means that they make money based on how many products they sell. They are going to tell you exactly what you want to hear, thus they will make money. Here are some tips to advertising advice:

- Decide what you need yourself by listening to what the advertiser is saying. Make a list of other things you could buy with the same money.
- Compare products. Don’t just buy what is advertised.
- Shop around. Don’t just go where the commercials tell you.
- Go for quality. Make sure that the product lives up to the advertiser’s claims. I like to think for most things—buy once and pay a little bit more money verses paying less and buying multiple times due to it not lasting.
- Look past the appeal of looking good or cool. Ask yourself what the product can really do for you.

Making a budget

One of the first things you do when you begin making money is to write out a budget. This works best when you begin having a steady flow of income. It is kind of hard to budget money when you only receive a small cash gift once or twice a year. Maybe your parents give you an allowance and that is something you can work with.

Tithe

Your first choice should be to put some aside for tithe. This is one of the best practices to put into place now when you are young. It’s about giving God the first portion of what He ‘s given to you and

allowing Him to provide for your needs out of faith. It is a simple concept but one of the toughest to live out. I can give many personal testimonies of when we did not tithe each week and how financially broke we were from it. We would experience hardship after hardship and it seems that things always broke. When we started tithing on a regular basis and it became a part of “wanting” to do it, things didn’t seem to break down as much, we actually accumulated a savings, and God had blessed us in numerous financial avenues. Our base pay did not change, actually life expenses got bigger, but we still came out on top and overflowing.

Here are some Bible verse to read further on tithing, I encourage you to read them and study them further in depth.

- Malachi 3:8-10
- 2 Corinthians 9:7
- Proverbs 3:9
- Luke 21:1-4

Expenses

Your next thing to list will be your expenses. Do you have anything that you have to regularly pay for each month? Maybe you go out each week and spend money with friends. Whatever you normally do, write it down. If you have to buy clothes, personal care items, or any type of snacks, write that down too.

Savings

You should start thinking about some short and long term savings goals. You might have to begin thinking about saving for a vehicle. You need to think about how much you can put away each month towards this. You might want to put away money towards a short term goal like a cell phone purchase. Whatever the item, you need to plan ahead. You need to set aside a set amount each month to work towards that goal. If you want to buy it in three month’s time. Take the total cost and divide it by three. Find out how much to set aside and then pay for it with cash.

Income

Lastly write down what your total income is for the month.

The difference between income and expenses should be in the positive. If it is not, then you need to do some adjusting to your expenses. You want to minimize your spending so that you can put away more into your savings. To save for future purchases.

Interpreting paystubs

Hotdog World, Inc.							
Name		Payroll ending		check no			
Sarah Mitt		3/14/15		3243			
Employee No.		amount					
3423		87.50					
Description		Earnings		Taxes withheld		Other deductions	
Regular		Hrs.	Amount	Tax	Current	YTD	Description Amount
		20	120.00	Fed income tax	12.72	174.90	Meals 7.00
				Social security	7.44	102.30	
				Medicare	1.74	23.93	
				State income tax	3.60	49.50	
Current			120.00				
YTD			1650.00				

This is a basic looking check stub. Look at the picture to be able to define and understand what happens to the money that you earn at a job.

Let's start at the top. It has the companies name, your name, and the payroll ending date. This means this is the last day that they were paying you for. Normally you will get your checks a week behind. You will get paid this Friday for last week's worth of work. The check number is for the company to know which check was issued to you. Your employee number is the number they assign to you in payroll. The amount is how much your check is for.

In the chart, the left hand side lists the earnings. It has the regular hours that you have worked. In this case the person earns \$6 an hour times 20 equals 120.00. If you had overtime they would list it under the word regular. You generally get paid more for overtime. Current lists how much the current earnings is for and YTD means Year to date. This is the total amount of earnings that you have earned up till this point. That is your earnings. Now we take a look at your deductions.

Under taxes withheld, it lists the four taxes that every company is required to take out. It is based on your tax bracket and the number of exemptions you chose when filling out your W4 forms. You did this when you got hired in, probably with your parents help. They take out for federal tax, state tax, Medicare, and social security. Federal pays the federal government. State goes to your state to pay for libraries, roads, etc. Medicare helps the elderly with medical care. Social security goes to a trust fund that pays monthly benefits to retirees and their families and to widowers and children of workers who have died. It also goes to a trust fund that pays benefits to people with disabilities and their families. Some employers will take out for local taxes as well if required.

Other deductions includes any extra deductions. This might be for meals, uniforms, equipment, etc.

You take your earnings(gross pay) and subtract your deductions. This is how much your net check is worth.

I am going to recommend a wonderful course DaveRamseys Total Money Makeover. Some churches do classes on this, you may be able to get the book at your local library, but to purchase it for the small amount is an invaluable resource. I have all my children go through his course. They have one specifically for teens as well. He gets you out of society's buy now pay later mentality and shows you that if you live like no one else now, you will live like no one else later---meaning you will live much grander later on.

He also lays out step by step how to retire a millionaire something you may not think about right now but if you will, you will be so much better off financially in the long run.

<https://www.daveramsey.com/blog/how-teens-can-become-millionaires/>