## Money Matters

Do you know basics about bucks? It's easy-and super important-to grow your financial skills starting now.

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All three of us enjoy learning about money and finance, so we joined a chapter of DECA, a business and marketing organization, at our high school in California. We noticed that we were mostly the only females, both in DECA competitions and in an investing club we joined.

Much worse, we learned that girls and women are not nearly as "financially literate" as boys and men, and generally know less about savings, credit, and investing. Almost half of the girls in a Girl Scout poll said they didn't feel confident about making financial decisions, and only $12 \%$ said they'd feel "very confident" about doing so as grownups.

Not being knowledgeable about money matters can have bad results. As you grow up and are on your own, you could make decisions that seem small, but can have a big impact. For instance, if you pay only the minimum amount due on a monthly credit card bill, and keep doing it, you'll be paying much extra in fees and interest (keep reading for an example). If you don't save money, you won't be able to buy a car or house, and you could get into trouble if an emergency requiring money came up with you or your family. The gender gap in financial smarts is one reason that women, here and elsewhere in the world, more often end up with less money and financial security as they get old.
We wanted to change this and help females be more financially literate, so we started a nonprofit called Investing In Her Future. We present free workshops on topics such as budgeting and saving and credit use to girls from elementary school through high school. We also help women, especially those who are learning English as a second language or who are disadvantaged, learn how to find the money for college and get better-paying jobs and plan so they'll have money when they retire.


Girls (left) gettin money-smarter, thanks to (above from left) Amanda, Sandhya, and Tejasvi

Here are some ways you can sharpen your money skills right now.

## Keep a budget

A budget is just a way of keeping track and setting goals for money that comes in and money that goes out. It's simple-you can even keep up a budget on your phone! Or you can jot things down in a notebook or chart like the one below, or on a spreadsheet (easy to set up) on your computer.

Make plans for your money before you get it. We recommend that you save $20 \%$ of the money you get through allowance, jobs, or gifts. Then set aside $50 \%$ for your "fixed" costs-things that you are expected to pay for regularly, such as lunch money or clothes. Then you ve still have $30 \%$ to spend as you like. You can change this formula as needed.

## Spend, Save, and Share

Consider using the "three S" guide: Spend, Save, and Share. Some experts recommend you start here: Spend $70 \%$, save $20 \%$, and share $10 \%$. Let's say you get $\$ 20$ a month allowance, and $\$ 30$ from a regular babysitting job. What amounts would you spend and save and share? What if you changed the percentages? How much could you save in a year of your monthly $\$ 50$ if you saved or shared $20 \%$ ? Or saved $50 \%$ ?

When you get money, keep track of where you want it to go. You'll simply add in your income, and subtract the amounts you spend. It's cool to watch the money grow as you get things you want while saving for the future and sharing with others to help them live better.


## Want, Need, Or Wish?

t's perfectly normal and human to want things you don't need! It's also a wonderful skill to learn how to be happy with some things you want, but not ALL the things you want. One way to live happily within your budget is to make a list of needs, wants, and wishes. Needs are easy-say, lunch money (you got to eat!) or undies to replace those you outgrow. As you consider something you want, think about a thing you ve gotten in the past that you then didn't like anymore and gave away. Is your new desire something that'll make you happy a year or many more from now? Maybe it's better suited for the lower-priority "wish" list.

Another tip is to not buy a thing when you first see and want it Note its price, and calculate how much you'd have to work to buy it-regardless of whether you or a parent will pay for it. (That's good practice for when you're an adult.) Then wait a while, and see if you still want it as much. You may be surprised to feel that not having the thing you want hasn't made you any less happy!

## Tips: Spend, Save, or Borrow

As we talked with girls, we noticed that many girls don't often think about the fact that all money s earned, usually by their parents. Even bigger purchases can feel casual because parents are paying or it. Because money is the result of time and effort at a job, we help them figure out the differences between"wants" versus "needs."

If we get used to buying a lot of what we want, it becomes easy to overspend a budget when we re supporting ourselves. It's much better to learn to live within a budget when you're still at home with the financial support of your parents

## Save Or Borrow?

You may know that many people use credit cards to buy most everything. Credit cards are handy, because you don't have to carry around cash. But sing a card also makes it easier to spend money you don't have. When you don't pay your card bill each month, fees and interest mount quickly.

It's likely that you will end up using credit card lot as an adult, so you can start practicing how to either save money before buying, or buying omething on "credit" that you'll repay.

Here's an example: Say you want to buy a new phone for $\$ 200$. You get $\$ 5$ a week allowance. Should you save up your allowance and buy the phone in 10 months, or ask your parents to loan you the money so you can get it now? If your parents asked you to pay $10 \%$ interest on the phone loan, how much would you pay in the end? Interest is the money you'll pay a bank or person loaning you the money for the privilege of getting money you don't have yet. (And you'd pay $\$ 220$ for the phone.) Although you'll end up spending more money, you'll prove you can pay back loans.

If $10 \%$ interest on money owed sounds high, consider that credit card companies can charge twice that- $20 \%$ ! That means a $\$ 5,000$ debt not paid off for 10 years will cost almost $\$ 45,000$

## Make Money Grow

Did you know that money can grow? Most banks let kids start a savings account, and banks will pay you interest. Since banks can make loans (and charge interest) using some of the money customer deposit, they'll pay a small amount in interest back to customers. You can also start investing in bonds and stocks with the help of parents. Learn about "socially responsible investing," where your money goes to companies that don't hurt the environment and are run with fair principles.

For example, if you bought a U.S. Savings Bond with Grandma's $\$ 100$ birthday gift each year, you'd earn well over $\$ 1,000$ with the interest gained over the 10 years before you cash each one! The earlier you start earning interest from savings or investing your money, the more "free" money you'll get!

## Pool Money for POW!

Girls in many places join in "giving circles" tha give bigger grants to help others. In the Texas Girls Giving Grants group, girls pitch in \$100
a year (that's around \$8 a month) to give away the total collected. They've funded clothes for kids who've had to leave abusive parents and sometimes be adopted by other parents (right, adoptive family); helped kids with disabilities and kids who've lost a parent; and more


