

# Finance for Teenagers

Chris Fisher

**M**ost teenagers do not feel they have a good understanding of money.

Specifically, about three fourths of all teenagers aren't confident in their ability to handle money or their financial knowledge in general.


The good thing is, however, learning new things is easier than ever, especially at a young age with the rise in technology. There are a few important foundational lessons that every teenager should learn

## Foundations of Finance

The first thing every teenager should consider is budgeting. During the teenage years, money is typically going to be low even with a job, so it is important to learn how to budget your money effectively. Tracking your income and the money spent is a good way to see where your money is going along with what your money is being wasted on. This leads to the second important focus which is needs vs. wants. Teenagers can make questionable decisions, and understanding what is a need and what is a want can help them make more sound financial choices. Having a job of some sort is a great way to start making money before putting money into investments and things of that nature. Whether this be your own business startup or a good old part time job locally, it will be extremely beneficial to learn hard work along with gaining a stream of income

Investing is a powerful tool that should also be looked into. Although investment options are typically limited under the age of 18, there is always ways to get your money moving and working for you in some way. Compounding interest, stocks, bonds, and the new raze of crypto are some ways to start learning.

Another important value is learning delayed gratification and having patience. Money and wealth is not generated overnight, but simple and small things done daily ensure your future self success and wealth. Personal finance books and having a good financial literacy will benefit teenagers greatly because these are things that they will need to know for life. Credit, debit, and taxes are all important things that every teenager should look into. Setting financial goals is an important thing to do also, and discussing these things with adults that are experienced with finances is a great way to get the ball rolling.



***“Financial freedom is available to those who learn about it and work for it.”***  
***– Robert Kiyosaki***