

All About The Benjamins IV: Spending Wisely

Source: *Money Matter for Teens Workbook* by Larry Burkett

Controlling your spending is the only way to uphold your budget. You must be mindful of everything that you spend, because small items add up. Sellers or Marketers are people who try to get you to buy things such as shoes, clothes, music, movies, food, candy, drinks, make-up, magazines, sports equipment, stereos, and computer games. They have tricks they use to get you to buy these things.

Trick #1: Big Discount

- Ignore "Suggested Retail Price", "On Sale!", "Marked Down", and "Discount!"

Mentor Note: The suggested retail price isn't a very official number. Almost no store sells a popular item at that price. They just use that price so that they can claim that their actual price is so much lower!

- Just compare the real, walk-out-the-door prices. The rest is just marketing hype

Trick #2: Buy Now!

- The quickest way to get you to buy something is not to let you have time to think about it first.

Mentor Note: Sellers do all sorts of things to get you to buy before you've had a chance to think about it:

1. They crowd their checkout stands with junk food and trinkets
2. They tell you there's a "limited quantity" so you'll buy it immediately without consideration of the cost

- Here are some tips on how to resist impulse buys:
 - Keep your hands in your pockets in the checkout line. It works!
 - Carry only enough money each day to cover your NEEDS. You can't buy what you can't pay for.
 - Set a "7 over 7" rule: Before buying anything that costs over \$7, you must wait 7 days. If you still want it a week later, you can buy it.

Trick #3: Save!

- Sellers can distract you from how much you are spending by focusing on how much you are "saving."
- Ignore what you're "saving", and instead think about how much you will be spending

Always be aware of these tricks. Here are some easy to remember tips on sticking to your budget:

- Shop with your budget in mind
- Plan ahead for large purchases
- Compare prices at different stores

Activity: Salary Reality Check

- The purpose of the game is to allow you to choose what things you would like to spend your money on when you are out on your own. Then the game tells you how much your salary would have to be if you wanted to live that type of lifestyle. It also gives a list of corresponding careers that are in that salary range
- Connect to game at http://www.jumpstart.org/madmoney/pgv_money_rc_main.html
- Remember -The key to good money management is controlling your spending within your salary means – no matter how small or large the salary!