



Extension News Column

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This week's advice for pinching pennies is aimed at teens and young adults. Whether you are of this age, or have a child of this age, you know how important it is to lay the financial foundations for the rest of life now.

Times are tough. Many youth have seen their financial aid for college go begging for a lender. But those who learn and practice money management skills may be better able to meet their financial needs. Some of these hints are good for all of us, so see if there are a few hints you can use yourself.

- Make a list of current financial needs that you are responsible for. Don't include those that are paid for you by parents. But take a minute to thank them for their generosity! These may include insurance, school expenses, rent, food, clothing, car payments, and even a little money for fun.
- Prioritize financial needs. Housing, loan payments, and groceries are things that should be high on that list. Entertainment, electronic gear, and eating out may fall into the "wants" category.
- Set your financial goals to cover the important things first. Look for ways to decrease your basic costs. Consider riding the bus instead of driving and finding a roommate to reduce the rent.
- Shop for a lower interest rate on a car, or trade for a more economical car to reduce the payment or even the gasoline expenses.
- Put the credit cards away. Using a credit card to cover an emergency expense that cannot be covered by cash available adds expense—interest and other fees add up quickly. Carrying a balance obligates future income.
- Choose credit sources with care. Don't fall for a gimmick such as getting a free teshirt or frequent flyer miles to encourage you to sign up for a credit card. Carrying more credit than you need not only tempts you to use it, but it may affect current insurance rates and your future borrowing power.
- Shop with a "needs" list and stick to it to minimize impulse shopping. Spending time in a store for entertainment can lead to unnecessary spur of the moment purchases.
- Keep receipts. Verify purchases on your debit card or checking account regularly. Not only will this allow you to check your purchases, it will make you aware of where you are spending your money. Track unnecessary spending and stop doing it.

Teens and young adults who enjoy spending time with their friends can find it more difficult to cover the costs of a meal or a movie. By purposeful spending, you'll make sure you have the money to meet your financial needs.