

Financial Freedom for Teens

Larry Hanthorn
June 10, 2023



1

**“IF YOU ARE FAITHFUL
IN LITTLE THINGS, YOU
WILL BE FAITHFUL IN
LARGE ONES. BUT IF
YOU ARE DISHONEST IN
LITTLE THINGS, YOU
WON'T BE HONEST
WITH GREATER
RESPONSIBILITIES.
LUKE 16:10**

2



3

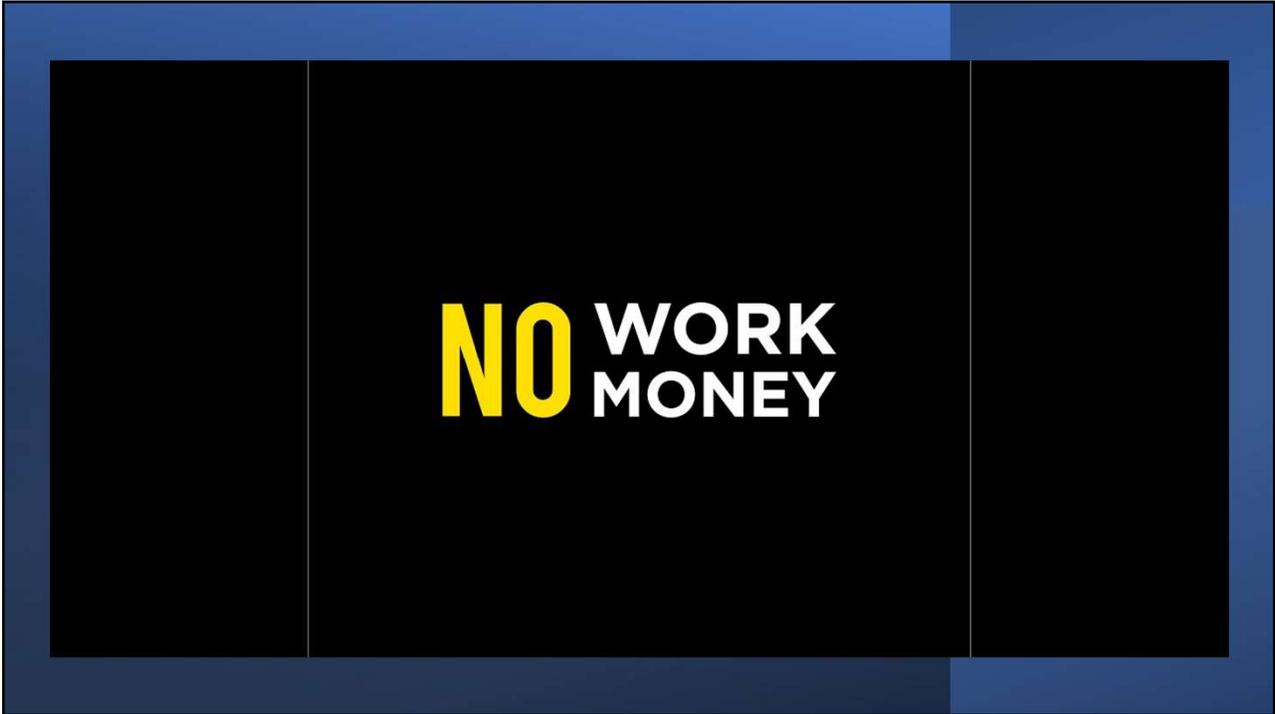
Mindset of Stewardship

	Poverty	Stewardship	Prosperity
Possessions are:	Evil	A responsibility	A right
I work to:	Meet only basic needs	Serve Christ	Become rich
Godly people are:	Poor	Faithful	Wealthy
Ungodly people are:	Wealthy	Unfaithful	Poor
I give:	Because I must	Because I love God	To get
My spending is:	Fearful and joyless	Prayerful and responsible	Carefree and consumptive

4



5



6

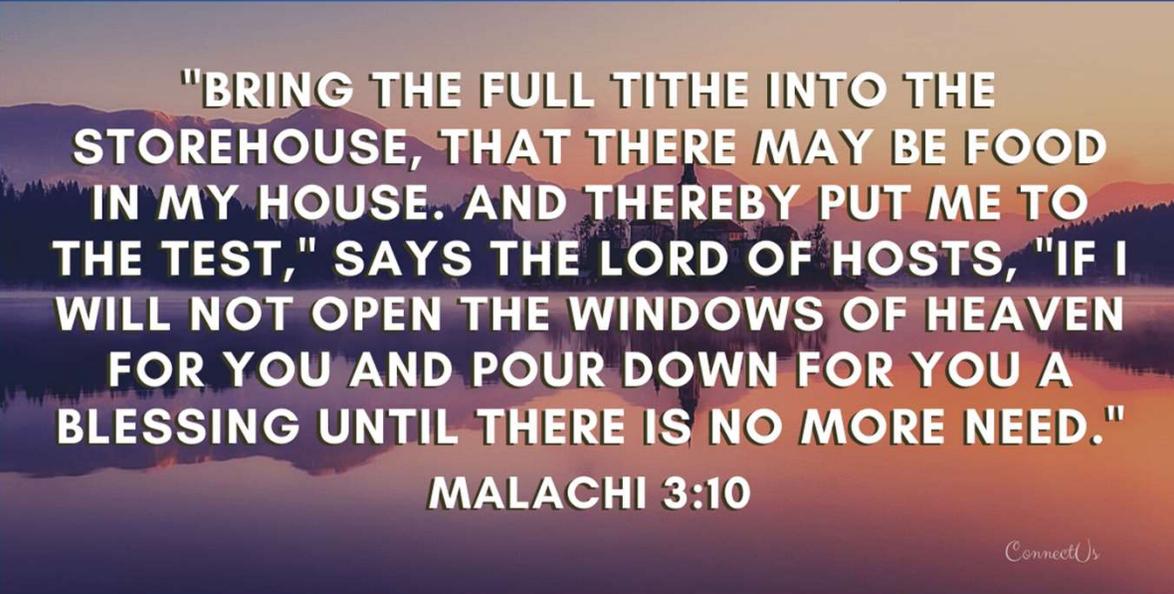


Honor the Lord with your wealth,
with the firstfruits of all your crops.

Proverbs 3:9

DailyVerses.net

7



**"BRING THE FULL TITHE INTO THE
STOREHOUSE, THAT THERE MAY BE FOOD
IN MY HOUSE. AND THEREBY PUT ME TO
THE TEST," SAYS THE LORD OF HOSTS, "IF I
WILL NOT OPEN THE WINDOWS OF HEAVEN
FOR YOU AND POUR DOWN FOR YOU A
BLESSING UNTIL THERE IS NO MORE NEED."**

MALACHI 3:10

ConnectUs

8

Spending Wisely

- **Make a Budget or Spending Plan**
 - Tell your money where you want it to go – don't wonder where it went!
 - Prioritize by category the things that are important
 - Give first, then Save, then Spend – **try the 10-20-70 plan**
 - Avoid spending more money than you have – **try the envelope system**



9



10

Tips for Saving

- Don't eat out more than a few times per month
- Save gifts and any unexpected money
- Sell stuff
- Start a side business
- Round "up" in your accounts
- Put all spare change in a jar or piggy bank
- Use an app - <https://www.doughroller.net/personal-finance/budgeting/best-money-apps-for-kids-teens-and-young-adults/>



11

Credit Cards	(vs.)	Debit Cards
Borrowed funds issued by a bank	--	Money deducted from your bank account
Can reap rewards, travel points, and discounts	--	Helps avoid accumulation of debt
Helps you build credit	--	Little to no fees
Interest rates and fees vary	--	No interest charges
Too much spending can lead to debt	--	Won't help you build credit
Offers fraud protection as well as protection against unauthorized purchases		



12

Minimum Payments Explained

Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a late fee of up to \$39.00.

Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take much longer to pay off your balance. For example:

If you make no additional charges using this card and each month you pay...	You will pay off the balance shown on this statement in about...	And you will end up paying an estimated total of...
Only the minimum payment	22 years	\$17,402
\$273	3 years	\$9,824 (Savings=\$7,578)

Don't just make the Minimum Payment

13

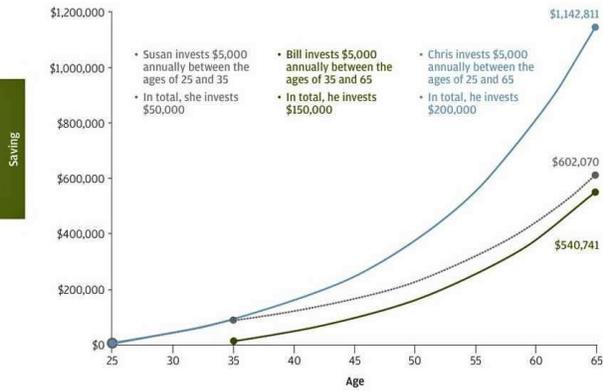
Rules for Using Credit Cards

- Only use credit cards for items that are already in your spending plan
- Pay in FULL every month.
- If you can't pay in full, lock the credit cards away
- If you can't pay in full for 3 consecutive months, cut them up



14

Growth of savings accounts

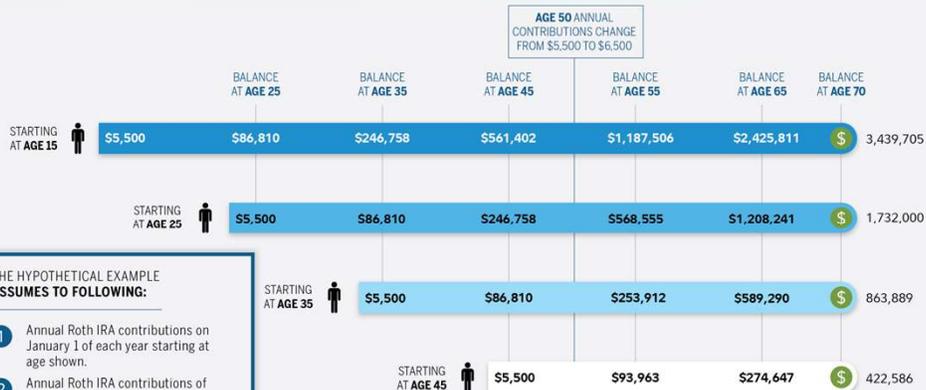


Saving fundamentals:
Harnessing the power of compounding can greatly impact the amount of savings over the long term.

The above example is for illustrative purposes only and not indicative of any investment. Account value in this example assumes a 7% annual return. Source: J.P. Morgan Asset Management. Compounding refers to the process of earning return on principal plus the return that was earned earlier.

15

STARTING EARLIER CAN MAKE A BIG DIFFERENCE



THE HYPOTHETICAL EXAMPLE ASSUMES TO FOLLOWING:

- Annual Roth IRA contributions on January 1 of each year starting at age shown.
- Annual Roth IRA contributions of \$5,500 until age 50 when the annual contribution increases to \$6,500.
- An annual rate of return of 7%.
- No taxes on any earnings within the Roth IRA. The ending values do not reflect taxes, fees or inflation. If they did, amounts would be lower.

Earnings distributed from Roth IRAs are income tax free provided certain requirements are met. IRA distributions before age 59 1/2 may also be subject to a 10% penalty. Systematic investing does not ensure a profit and does not protect against loss in a declining market. This example is for illustrative purposes only and does not represent the performance of any security. Consider your current and anticipated investment horizon when making an investment decision, as the illustration may not reflect this. The assumed rate of return used in this example is not guaranteed. Investments that have potential for a 7% annual rate of return also come with risk of loss.

16

My Faith Declaration

- 1. God owns it all**
Psalm 24:1
- 2. God's way is always better than my way, so I give Him control**
1 Chronicles 29:11
- 3. I am content with what God has provided**
Philippians 4:11-13
- 4. I am God's wise manager.**
Matthew 25:21
- 5. I am free to fulfill God's plans for my life and advance His kingdom.**
Exodus 9:16



17

Wrap Up

No work, no _____.

God owns it _____.

It is better to _____ interest than to pay interest.

Give, Save, then _____.

Having a Spending Plan is so I can tell my money _____.

You can work for money or learn how to have money _____.

18

Wrap Up

Give

Save

Spend

Borrow

19

Wrap Up

**Whoever can be
trusted with little,
can also be trusted
with _____.**

20

Supporting Material & Resources

Financial Literacy

Raising Money-Wise Kids: <https://shop.crown.org/purchase/raising-money-wise-kids-lessons-and-activities-for-8-12-year-olds>

Teens' Guide to Building a Strong Personal Finance Foundation - MoneyGeek. <https://www.moneygeek.com/financial-planning/personal-finance-for-teens/>

Financial Literacy For Teenagers: Key Money Tips For Teens. <https://www.clevergirlfinance.com/blog/financial-literacy-for-teenagers/>

Financial Literacy for High School Students - InCharge Debt Solutions. <https://www.incharge.org/financial-literacy/resources-for-teachers/high-school/>.

Budgeting

A Simple Budget for Young Teens: <https://www.crown.org/radio/a-simple-budget-for-young-teens/>

Budgeting for Teens: What You Need to Know: <https://www.thebalancemoney.com/how-to-teach-your-teen-about-budgeting-4160105>

7 Free Teen Budget Worksheets & Tools (Start Your Teenager Budgeting). <https://www.moneyprodigy.com/teen-budget-worksheets/>

Budgeting Basics: <https://www.youtube.com/watch?v=xEPHsUtlFDA>

Savings

Savings Day – Plan and Start Young: <https://www.crown.org/radio/savings-day-plan-and-start-young/>

How to Save Money as a Teenager: <https://www.thebalancemoney.com/how-to-save-money-as-a-teenager-5204306>

9 Best Money Saving Tips For Teens: <https://www.nomadsmid.com/money-saving-tips-for-teens/>

Investing

Roth IRA for College: <https://www.rothira.org/articles/can-i-use-a-roth-ira-to-pay-for-college>

Best Investments for Teens: <https://www.clevergirlfinance.com/investments-for-teens/>

5 Tips to Introduce Teens to Investing: <https://www.fidelity.com/learning-center/personal-finance/teach-teens-investing>

Apps Info

6 Apps Teens Can Use: https://www.huffpost.com/entry/money-apps-for-teens-and-parents_l_5c979128e4b01ebee108c34

Greenlight App: <https://greenlight.com/>

Go Henry: <https://www.gohenry.com/us/>

Best Money Apps for Kids and Teens: <https://www.doughroller.net/personal-finance/budgeting/best-money-apps-for-kids-teens-and-young-adults/>