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# Financial Freedom for Teens



# 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

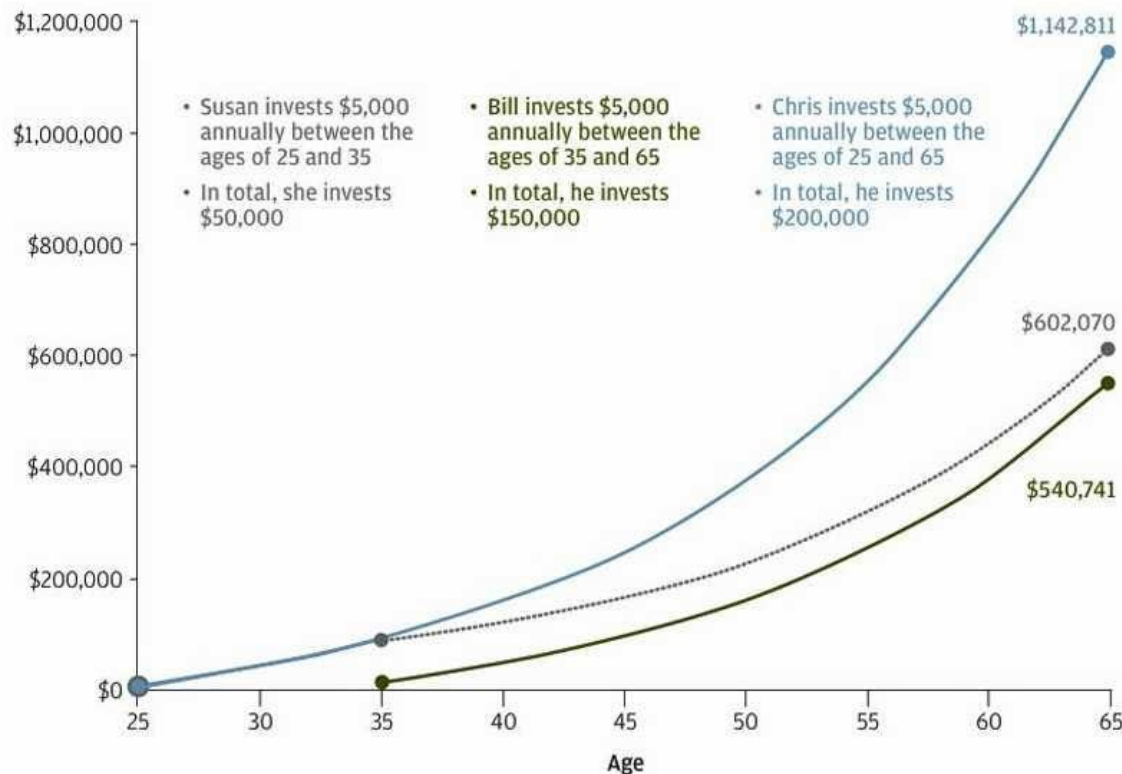


# Tips for Saving

- 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/>



Growth of savings accounts

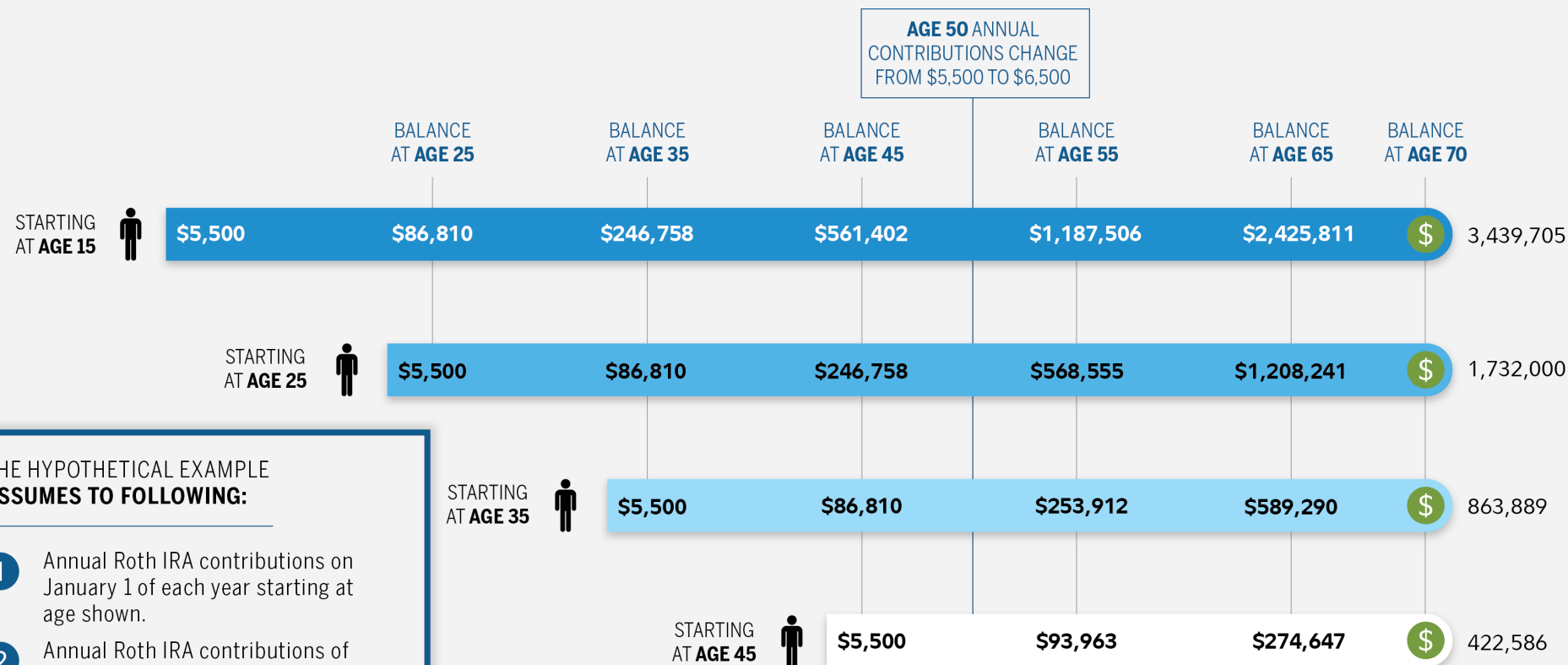


**Saving fundamentals:**  
Harnessing the power of compounding can greatly impact the amount of savings over the long term.

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.

# STARTING EARLIER CAN MAKE A BIG DIFFERENCE



## THE HYPOTHETICAL EXAMPLE ASSUMES TO FOLLOWING:

- 1 Annual Roth IRA contributions on January 1 of each year starting at age shown.
- 2 Annual Roth IRA contributions of \$5,500 until age 50 when the annual contribution increases to \$6,500.
- 3 An annual rate of return of 7%.
- 4 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 ½ 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.



# 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**



# Credit Cards

vs.

# Debit Cards

Borrowed funds issued by a bank

Can reap rewards, travel points, and discounts

Helps you build credit

Interest rates and fees vary

Too much spending can lead to debt

Offers fraud protection as well as protection against unauthorized purchases

Money deducted from your bank account

Helps avoid accumulation of debt

Little to no fees

No interest charges

Won't help you build credit



**Minimum Payment 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 you longer to pay off your balance. For example:

Don't just  
make the  
Minimum  
Payment

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)



# 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



# 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*



# 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  
\_\_\_\_\_.



# Wrap Up

**Give**

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**Save**

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**Spend**

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**Borrow**

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# Wrap Up

**Whoever can be  
trusted with little,  
can also be trusted  
with \_\_\_\_\_.**

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