The ABCs of Personal Finance

1) Fill in the blanks...

Analyze your finances and do a budget.

Know the basics about banks, interest and money.

Set your goals.

Develop a plan to reach your goals.

How do you make your money grow faster? compounding interest

Start early, plan then be patient and persistent.

It’s far better to collect interest on your money than to pay it.

1. Complete the chart...

Financial Enemies Financial Allies

- taxes - education

- inflation - compound interest

- not enough time - time (invest EARLY)

3) Complete the “Investment Pyramid”

stocks

(HIGHEST

RISK)

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mutual funds

(a stock broker or a

financial advisor buys/

sells your stock investments)

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bonds (with companies)

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bank savings (LOWEST RISK)

4) Examples...

Depreciating asset = car (loses value over time)

Appreciating asset = property/house (increases in value over time)

5) Four tips to remember are:

* analyze your budget
* pay yourself first (savings account, investments)
* pay off loans
* write down your goals (short, medium, long term)