

This little piggy went to the market, while this little piggy stayed home (and saved her money).  
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dollars  
& sense



# MONEY MAKES THE WORLD GO 'ROUND

We know what you're thinking: "Pah! I'm young; I don't need to save. In fact, why am I even bothering to read this page?" And we get it, we really do. But learning to be wise with your moola now, will pay off in the future. We promise. We're so confident of this, that we'll even let you thank us later – in 10 years' time when you're rolling around in green notes (them's the \$100 ones).

Lucky for you, we scored some valuable advice (for free – yay!) from Antonia Magee, finance reporter and author of *Living Thin: One Woman's Journey from Penniless to Prosperous in a Year* to help get you started. "As soon as you start getting money, you should learn how to save it," she says. "Saving a few dollars from your pocket money or part-time job is the first step to being a successful saver later in life.

"While you may only save up for things like movie tickets or clothes now, when you're older you'll be much better at saving for an exotic holiday, buying your own car, or buying designer clothes!"

## AIM, SHOOT, SCORE

We all know that there's no such thing as a money tree (\*tear\*), but we can still make our money grow – by planting a few seeds (i.e. dollars) in the ground (i.e. bank), nurturing it (with more dollars) and being patient. You also need a clear savings goal. Once

you've worked out what you're saving for (your first car, a new iPod, a pair of Ksubi jeans), you can then calculate how much cashola you need to put aside each week/month to get there.

"The best way to get started, is by putting an amount away every week somewhere you don't have easy access to it," suggests Antonia. "This could be in a money jar – if you can trust yourself not to raid it! – or with your mum or dad, or most banks have special savings accounts [with fewer fees and higher interest rates] for young customers that reward regular contributions, no matter how small."

If you have a regular income from a part-time job, organise to transfer a portion of it to your savings account immediately after payday, so you can't take it out and spend it. Trust us, when the money's easily accessible, you WILL spend it (despite your best intentions), so avoid temptation by putting it away as soon as you get it. Remember: out of sight = out of mind.

**GOT YOUR OWN SAVING TIPS TO SHARE? DEPOSIT THEM AT GIRLFRIEND.COM.AU.**

## SHOW ME THE MONEY!

OK, so now that you're on the saving bandwagon, Antonia says there are two things you need to consider: firstly, how much you can afford to save, and secondly, how much you need to reach your goal. "Say you have

a part-time job and earn \$100 per week and you want to go to a horse-riding camp in the holidays, which will cost \$400. If you put away \$40 each week then you will have saved up that amount in just one school term and that's still \$60 every week you have to spend on other things!" Yippeel!

But before you rush off, smash your piggy bank and deposit your life savings into a bank account, it's important to be realistic about how much you can save. After all, there's no point in putting 50 per cent of your pocket money into a savings account each week if you have to withdraw it a few days later to pay your mobile bill or buy your lunch. It's a good idea to always keep enough money aside to cover your everyday expenses.

## SAVING DOS & DON'TS

**DO** get a special savings account. Contact your local banks and go through the options with your parents, then decide which account suits you best.

**DO** work out how much you want to put into savings each week/month and put it into your account as soon as you get paid.

**DO** try to think of cheaper options. Rather than going to the movies with friends on the weekend, have them over for a DVD night; or make your lunch instead of buying it from the canteen every day.

**DON'T** get a debit card – unless you know you can control your spending. When you can't actually see the physical amount of money being exchanged, it's easier to lose track of how much you're actually spending.

**DON'T** lose sight of the bigger picture. E.g. If you buy that new dress now, that's less money you'll have to spend on your holiday later!

## TIGHTEN YOUR PURSE STRINGS

Finally, take a look at what you're spending your dough on and see if there's anywhere you can cut back. By simply getting rid of a couple of small, unnecessary expenses here and there, you'll suddenly discover you have a lot more money to spend on other (more exciting) things. Antonia says you need to think about where you really want your money to go. "Consider if you need to buy that soft drink on the way home from school or if you would rather save \$2 every day and buy yourself a new bikini for summer. Remember to set goals, dream big, and especially remember that every dollar adds up!"