

## INTRODUCTION

Planning for the future is a journey. Some paths lead to success and others run into roadblocks. Without a map, it's easy to get off track. You can be cruising one moment and hit a dead-end or take a turn that makes you lose your direction. On every voyage, you need something to guide you. This book will help direct your way.

The first rule of the road is making good choices. Decisions we make today impact our financial future. Peer pressure can cause us to spend our money frivolously. Patterns learned from parents influence our decisions. Then, we have our own desires. How many times have you walked into a department store and planned to just browse, but ended up buying something? We've all been there. But next time, ask yourself: How will this purchase affect me in the future?

To get on the right path financially, it is important to distinguish between wants and needs. Buy items you want, but realize there may be consequences. Consider an impulse buy of \$200 jeans. That splurge may mean not having the funds for unexpected car repairs or using a credit card for purchases because you're short on cash. That means taking out a loan that has to be repaid.

For young adults living on your own, the money choices you make today can shape your future. If you are doing a good job managing your finances, you probably have some money left after you pay the bills. If you are living beyond your means, you may not have the money you need when it counts.

For young people in high school or college, independence can feel like a long time away. But before you know it, you will be on your own to tackle all of the challenges - including the financial ones - of being an adult. That transition will be a lot easier if you develop the skills to manage money wisely.

Personal finance may be something you've never considered. Schools teach a lot of useful subjects, but money management is rarely covered. A lot of what we learn about money comes from popular culture and our parents.

Television and movies show the glamour of spending, but not the sweat required to earn -- and grow -- the money that lifestyle requires. Some young adults see mom or dad maxing out credit cards or missing payments. Often, we miss the stories of people overwhelmed by debt who lose their homes and sink into depression. The goal of this book is to give you a strong foundation to help make your financial ride through life a smooth one.

## **MY STORY**

I fell into the credit card trap when I was in high school. Senior year brought lots of bills -- pictures, school trips, the prom, class ring. Add the expense of clothing and gas for my car and I was over my head. Although I had a part-time job, it never seemed enough to meet the demands on my limited funds. I didn't want to be a burden on my parents, so I started applying for credit.

The first card I received was from Sears. I was given a \$500 limit. Next, I went to my credit union and took out a \$300 loan to buy a class ring and help with other senior

expenses. I paid the loan off on time, but started struggling to keep up with payments on my Sears card. College was coming so I bought items for my future apartment and some new clothes. By this time, my credit limit had risen from \$500 to \$1,000. It wasn't long before I maxed out my new limit too. I didn't have the money to pay the bill.

Four years later, I had accumulated more than \$6,000 in debt from two credit cards, and \$8,000 from student loans, and I had no job to pay it off. I felt crushed under the weight of my bills.

In 1995, a year after graduation, I took charge of my financial life. My first job paid \$23,000 a year. I decided to find a way to live off my income. I came up with a plan to pay off my debts one by one. I started with the small bills. As I got raises, I paid more on my debts. I kept track of my expenses and put myself on a budget. It took six years to erase those outstanding balances completely. The day I paid off my last bill was a time of celebration. I vowed never to get in that situation again.

## **PRIDE**

Pride gets a bad rap sometimes. But it can be a pathway to success. I have turned the word PRIDE into an acronym for a formula to win in life:

“P” stands for preparation. Good fortune is hardly ever the result of luck. To be successful in any endeavor requires hard work.

“R” stands for respect. Honor yourself and elders. I went through a phase where I thought I knew everything. Our parents, grandparents and others have knowledge that we

should take advantage of. They have gone through many of life's challenges we have yet to face.

“I” stands for Individualism. Leaders never follow the crowd. They stand out because they have vision and are willing to take risks.

“D” stands for discipline. Once you have a plan, stay the course no matter how tough things become. Life rarely goes as planned. We can succeed by being patient, believing in ourselves and moving forward with our goals.

If you can live by the principles of Preparation, Respect, Individualism and Discipline, you will Excel in life, which is what the “E” stands for.

## **HOW DO YOU USE THIS BOOK?**

*Map Your Financial Future* is divided into three sections to steer you on your journey. Part One lays out a map for success by covering budgeting, and money saving tips to assist in reaching your goals. Part Two explores how to effectively navigate the bumpy path of credit so it doesn't become a road block. Part Three discusses moves you can take to increase your earnings potential and build your nest egg for retirement.

Chapters, filled with tips, definitions and worksheets, make up each section. At the end of each chapter, you'll find the summary, “Short Cuts,” which goes over the most important topics. If you're a teen, look for “Just for Teens,” a special box with tips written just for you.

Charting your financial future in your teens and twenties gives you a head start. It doesn't matter if you're just entering the real world and starting to establish bank and credit accounts or if you're working and made some financial mistakes.

If you follow the principles in this book, you will reach your destination of financial independence in no time.

