

Yes, You Can MoneyClips eNews

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Establishing Good Money Habits

Five actions that may help gain financial independence

KANSAS CITY, Mo. – According to results of a recent Financial Literacy Survey by Harris Poll on behalf of the National Foundation for Credit Counseling, 59 percent of respondents said they deserved a grade of “A” or “B” when it comes to their personal financial knowledge. However, 70 percent said they were somewhat worried about personal finances; 60 percent don’t have a budget and 24 percent are not paying their credit card bills on time. These statistics illustrate the importance of learning good money habits early, in order to avoid poor financial practices later in life.

For teens looking to gain financial know-how, home is often one of the best places to look. Parents can serve as valuable teachers for building life-long attitudes about spending, saving and living a healthy financial lifestyle. To help teens initiate the conversation with their parents or guardians, *Yes, You Can* provides the following list of thought-starter questions.

- What advice do you have for making wise money decisions?
- What lessons have you learned by making poor money choices?
- How many credit cards do you hold? Do you try and pay off the full balance on the card each month? How does carrying over a balance impact the final amount you pay?

In addition to learning from others, *Yes, You Can* encourages students to take the following five actions to begin building solid money habits.

1. Don’t spend money you don’t have.
2. Set savings goals for items you currently can’t afford.
3. Before purchasing a big item, wait 30 days. Often, at the end of that time period, people realize what they thought they wanted to buy initially they no longer need or want.

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4. Start earning your own money and practice managing these funds through saving, spending and charitable giving.
5. Use online resources, such as YesYouCanOnline.info and kids.gov to access additional financial knowledge, calculators and resources.

By learning and practicing good financial habits early, teens can start down the path toward financial independence.

Interview Tips

- Survey teachers and counselors at your school to learn the best piece of money management advice they ever received.
- Ask three classmates to take the 30-day challenge, by identifying a large purchase they would like to make and waiting 30 days to decide if it is something they still want and need. Discuss their experience with the challenge and see if they learned any important lessons.
- Poll your student body to discover what percentage of students at your school have a full- or part-time job.

About Yes, You Can

Financial education has always been important to American Century Investments, which believes one of the greatest gifts it can offer is the opportunity for children and young adults to learn how to achieve financial independence.

Yes, You Can is based, in part, on the beliefs of Jim Stowers, founder of American Century Investments and co-founder, with Virginia Stowers, of the Stowers Institute for Medical Research. For more information on the *Yes, You Can* program, visit <http://www.YesYouCanOnline.info>.

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