

Money Skills Guide

For Teens & Young Adults

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Building Smart Money Habits for Life

Revised 7/7/26

Money is a life skill—and it's never too early (or too late) to start learning.

Whether you're saving for your first car, planning a fun trip, paying for college, starting your first job, moving into your own place, or simply wanting to make smarter decisions with your money, building good financial habits now can help you reach your goals with confidence.

The truth is, no one is born knowing how to budget, save, use a debit or credit card, or make smart financial decisions. These are skills you learn over time—and the sooner you start, the more prepared you'll be for whatever comes next.

Inside this guide, you'll learn about:

- Understanding your paycheck and managing your money
- Setting financial goals and creating a plan for your money
- Making smart spending and saving decisions
- Growing your money for the future
- Building credit and making smart borrowing decisions
- Protecting yourself from scams and fraud

Think of this guide as your roadmap to building smart money habits that can help you feel confident, prepared, and in control of your financial future.



REMEMBER

Everyone starts somewhere.

You don't have to know everything today. Every small step you take builds confidence and helps you make smarter money decisions.



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Build Your Future

Your Journey Starts Here

Revised 7/7/26

The choices you make today can help shape the opportunities you have tomorrow. Whether you're saving for a car, planning for college or trade school, starting your career, or becoming more independent, learning how to manage your money can help you reach your goals.

You don't need to have everything figured out. Every smart decision you make today helps build the future you want.

What does your future look like?

Everyone's path is different, but good money habits can build confidence every step of the way.



QUICK TIP

Your goals may change over time—and that's okay! The money skills you learn today can help you reach whatever comes next.



THINK ABOUT IT

What's one thing you'd like to accomplish in the next 3-5 years?



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Understand Your Paycheck

Know What You're Earning

Revised 9/9/26

Your paycheck tells a story.

When you start working, your paycheck shows more than just how much you earned. It also shows what was taken out before you received your money. Understanding these amounts can help you know where your money is going and plan your spending.

Gross Pay

The total amount you earn before taxes and other deductions are taken out. For example, if you work 20 hours at \$15 per hour, your gross pay is \$300.

Take-Home Pay

The amount you actually receive after taxes and other deductions are taken out. Your take-home pay (or net pay) will be less than your gross pay.



REMEMBER

Your **budget should be based on your take-home pay**, not your gross pay.

What's Taken Out?



Federal Income Tax

Money withheld from your paycheck to help pay federal taxes.



State Income Tax

Money withheld for state taxes, when applicable.



Social Security & Medicare

Taxes that help fund Social Security and Medicare programs.



Other Deductions

Depending on your job, you may have deductions for things like health insurance, retirement contributions or other benefits.

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THINK ABOUT IT

Plan Your First Paycheck

Think about what you'd like to do with money you earn. Write down one idea for each:

1. Spend: _____

2. Save: _____

3. Put Toward a Goal: _____



QUICK TIP

Pay attention to your first few paychecks.

Check that your hours, pay rate and deductions look correct. If something doesn't look right, ask your employer or payroll department about it.



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Set Financial Goals

Planning for What Matters Most

Revised 7/9/26

Every big dream starts with a goal.

Maybe it's...



Your first car



A new laptop



A gaming system



An apartment or house



Concert tickets



College or trade school



A vacation with friends

Almost every goal costs money. That's why setting financial goals is one of the smartest things you can do. A financial goal is something you want to save money for. Knowing what you're working toward makes saving easier because every dollar has a purpose.

Goals Can Be Different Sizes

SHORT-TERM

Reach in less than 1 year

- New shoes
- Prom or homecoming
- Holiday shopping
- A bike
- A new phone

MEDIUM-TERM

Reach in 1-5 years

- First car
- College expenses
- Trade school
- Graduation trip
- Emergency savings

LONG-TERM

Reach in more than 5 years

- Buying a home
- Starting a business
- Building your savings
- Financial independence



QUICK TIP

Writing down your goals makes you more likely to stay focused and follow through.



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Turn Your Goals Into a Plan

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Break It Down

Big goals can feel overwhelming at first, but breaking them into smaller steps makes them much easier to reach.

Start by asking yourself:

- **What am I saving for?**
Identify your goal and why it matters.
- **How much money will I need?**
Set a specific amount to work toward.
- **When do I want to reach my goal?**
Choose a timeline that feels realistic.

Once you know the answer to those questions, you can figure out how much you need to save each week or month.



REAL-LIFE EXAMPLE

Saving for a laptop

Taylor wants to buy a laptop that costs \$1,200 in 2 years.



Goal

Buy a Laptop

\$ Cost

\$1,200



Timeframe

24 Months



Monthly Savings

\$50/month

$$\text{\$1,200} \div 24 = \text{\$50/month}$$

By saving \$50 each month, Taylor can reach the goal in two years. Breaking a big goal into smaller monthly amounts makes saving feel much more manageable.

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TRY IT YOURSELF

My Financial Goal

I'm saving for:

My goal amount:

I want to reach my goal by:

I already have saved:

I still need:

I can save:

☐ \$ _____ each week

☐ \$ _____ each month



REMEMBER

Your plan doesn't have to be perfect!

Small adjustments to your goal or timeline as your needs change can help you stay on track.



QUICK TIP

Even small amounts count.

Saving just \$10 each week adds up to more than \$500 in one year!



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Needs vs. Wants

Smart Spending Starts Here

Revised 7/10/26

What's the difference?

Every day, you make choices about how to spend your money. Learning the difference between needs and wants can help you decide what matters most and make your money go further.

NEEDS

Things you need to live safely, stay healthy, and meet your responsibilities.

Examples:

- Food
- Safe place to live
- Water
- Basic clothing
- Transportation to school or work
- Medicine and healthcare needs
- Phone service *(when needed for work, school, or safety)*

WANTS

Things that make life more enjoyable, convenient or entertaining—but aren't required.

Examples:

- Video games
- Concert tickets
- Brand-name clothing
- Streaming subscriptions
- Eating out
- Daily coffee shop drinks
- The newest phone when your current one still works
- Hobbies and entertainment



REMEMBER

Some things can be **both a need and a want** depending on your situation. For example, a phone might be a want for entertainment, but a need if you use it for work, school, or emergencies.

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TRY IT YOURSELF

Look at your recent spending. Write down five things you bought or paid for. Were they needs or wants?

Purchase	Need or Want	Why?



REAL-LIFE EXAMPLE

You have \$40 saved.

You need gas to get to work, but your friends invite you out for pizza.

You could spend the money now, but then you might not have enough gas to get to work.

Choosing gas first helps you meet your responsibility and keeps you moving toward your goals.

Before making a purchase, ask yourself: "Is this something I need right now, or something I want?"



QUICK TIP

Having wants isn't bad!

Take care of your needs first, then save and plan for the things you want.



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Build Good Money Habits

Smart Habits for Your Future

Revised 8/17/26

Small habits can make a big difference.

Being good with money isn't about how much you have. It's about what you do with it.

These habits can help you build a strong financial future:

- ✓ **Save part of every paycheck.**
Even a small amount can add up over time.
- ✓ **Think before you buy.**
Pause before impulse purchases and decide if you'd rather keep the money for something else.
- ✓ **Track your spending.**
Knowing where your money goes can help you find ways to save.
- ✓ **Spend less than you earn.**
Living within your means can help you avoid unnecessary debt.
- ✓ **Ask questions.**
Make sure you understand something before making a financial decision.
- ✓ **Keep learning.**
Your financial needs will change, so keep building your money skills.



QUICK TIP

You don't have to change everything at once. Pick **one habit** to work on this week, then build from there.



THINK ABOUT IT

Write down all your purchases for the next 7 days.

At the end of the week, look at your spending and ask yourself:

What surprised me?

What could I spend less on?



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Know Your Bank Statement

Know Where Your Money Goes

Revised 8/18/26

Your bank statement is like a report card for your money.

A bank statement is a summary of the activity in your account over a specific period of time, usually a month. It shows what's coming into your account, what's going out, and how much money you have.

What's on a Bank Statement?



Account Information

Your name, account information, and the period covered by the statement.



Beginning Balance

The amount of money in your account at the start of the statement period.



Deposits

Money coming into your account, such as a paycheck or transfer.



Withdrawals

Money leaving your account, such as a debit card purchase, ATM withdrawal, or check.



Transfers

Money moved from one account to another.



Fees

Charges that may apply to your account, such as ATM, maintenance, or overdraft fees.



Ending Balance

The amount of money in your account at the end of the statement period.



QUICK TIP

Don't just check your account balance. Review your transactions, too. Your balance tells you **how much** you have, while your account activity helps you understand **what happened to your money**.

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TRY IT YOURSELF

Take a look at your most recent bank statement. Can you find:

Beginning Balance:

Ending Balance:

A Deposit:

A Withdrawal

A Transfer:

Any Fees:



REMEMBER

Checking your statement regularly can help you catch mistakes, unexpected fees, or suspicious activity before they become bigger problems.



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Grow Your Money

Put Your Money to Work

Revised 8/19/26

Saving and investing can both help you build your financial future.

Saving helps you prepare for goals and expenses you may need to pay for sooner.

Investing gives money you may not need right away the opportunity to grow over the long term.

SAVING

Money you may need sooner.

Good for:

- Emergency savings
- A car
- Education
- Travel
- Moving out

INVESTING

Money you plan to leave alone longer.

Good for:

- Retirement
- Long-term goals
- Building wealth over time

Start Early

Time can be one of your biggest advantages.

When your investments earn money, those earnings can potentially earn money too. Over many years, this can help your money grow through **compounding**.

WHAT DOES IT MEAN?

Compounding

Earning money on your original investment and on the money it has already earned.



KEY TAKEAWAY

The earlier you start, the more time your money has to work for you.

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Don't Put All Your Eggs in One Basket

Investing involves risk, and different investments can perform differently. **Diversification** means spreading your money across different investments instead of putting everything in one place.

Common Types of Investments

Stocks

Buying a stock means owning a small piece of a company. Stocks have the potential for higher growth, but their value can also go up and down more.

Bonds

A bond is like lending money to a company or government in exchange for interest. Bonds generally have less risk and lower growth potential than stocks.

Annuities

An annuity is a contract with an insurance company that can provide income over time, often during retirement.

Where can you invest for retirement?

401(k)

An employer-sponsored retirement account. Some employers may match part of what you contribute.

Roth IRA

An individual retirement account funded with after-tax contributions. Qualified withdrawals in retirement can generally be tax-free.

Traditional IRA

An individual retirement account where contributions may be tax-deductible, depending on your situation.

Self-Employed Retirement Plans

Retirement options designed for people who work for themselves or run their own business.



REMEMBER

You don't have to be an investing expert to start learning. Understanding the basics now can help you make more informed decisions about your money later.



QUICK TIP

Before investing, make sure you understand what you're investing in, how much risk you're taking, and when you may need the money.



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Build Your Credit

Your Financial Reputation Matters

Revised 8/19/26

Your Credit Tells a Story

When you borrow money or use credit, your payment history can become part of your credit history. Over time, that history can affect your ability to borrow money and access other opportunities.

Credit Reports & Credit Scores

Think of a credit report like a report card—but for money.

A **credit report** keeps track of information about how you manage money you borrow, such as credit cards and loans. The information in your credit report can help determine your **credit score**, which lenders may use when deciding how much risk they take on by lending you money.

WHAT DOES IT MEAN?

Credit Report

A record of your credit history, including information about your credit accounts, payments and other credit activity.

Credit Score

A number based on information in your credit history that helps lenders understand how likely you are to repay borrowed money.

What's on a Credit Report?

A credit report may include:

Personal Information

Your name, address and other identifying information

Public Records

Certain information, such as bankruptcies or collections

Credit Accounts

Credit cards, loans, balances and payment history

Credit Inquiries

A record of who has checked your credit

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REMEMBER

Generally, individuals under 18 don't have credit reports.

Build Good Credit Habits



Pay your bills on time

Payment history is an important part of your credit history.



Keep credit card balances low

Using a smaller portion of your available credit can help your credit profile.



Borrow only what you can afford

Taking on debt you can comfortably repay helps you avoid missed payments and financial stress.



Check your credit

Review your credit reports regularly and make sure the information is accurate.

What can hurt your credit?



Missing payments

Late or missing payments can hurt your credit history.



Borrowing more than you can afford

Taking on debt you can't comfortably repay can lead to missed payments and growing balances.



Ignoring bills or collections

Unpaid bills or accounts sent to collections can become part of your credit history.



KEY TAKEAWAY

Good credit habits can open doors.

Your credit history may affect your ability to get a loan, rent an apartment or access certain other opportunities.



THINK ABOUT IT

What kind of credit habits do you want to have?

Write down **one rule** you'd like to follow when you start using credit.



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Borrowing Basics

Know What You're Signing Up For

Revised 8/19/26

What does it mean to borrow?

Sometimes you need to pay for something before you have enough money saved to cover the full cost. A lender can provide the money you need now through a **loan**, and you'll repay it over time. The amount you repay can be more than the amount you originally received because of **interest** and fees.

WHAT DOES IT MEAN?

Loan

Money you received from a lender that you agree to repay over time.

Interest

The cost of borrowing money, usually charged as a percentage of the amount borrowed.

Different Types of Loans

Loans can work in different ways depending on what you're borrowing for and how you'll repay it.

INSTALLMENT LOANS

You borrow a specific amount and repay it through regular payments over a set period of time.

Examples:

- Auto Loans
- Student Loans
- Mortgages

REVOLVING CREDIT

You can borrow, repay and borrow again up to a set credit limit.

Examples:

- Credit Cards
- Home Equity Lines of Credit
- Personal and Business Lines of Credit

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Secured vs. Unsecured

You may also hear loans described as secured or unsecured.

SECURED LOANS

*Backed by something you own, called **collateral**, such as a vehicle or home. If you don't repay the loan, the lender may be able to take the collateral.*

Examples:

- Auto Loans
- Mortgages

UNSECURED LOANS

Not backed by collateral. The lender relies on your promise to repay, so these loans may have higher interest rates.

Examples:

- Credit Cards
- Some Student Loans
- Some Personal Loans



QUICK TIP

Borrowing isn't free.

Before taking out a loan, look at the **interest rate, fees, payment amount and total cost**—not just how much money you're receiving.



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Understand Credit Cards

Credit is Borrowing

Revised 8/20/26

How does a credit card work?

A credit card is a type of **revolving credit**. Instead of taking out one set amount of money, you're given a **credit limit** you can use for purchases.

As you make purchases, your **credit card balance** goes up. When you make payments, your balance goes down.

Each billing cycle, you'll receive a statement showing your balance, payment due and **minimum payment**. If you carry a balance from one billing cycle to the next, you may be charged interest.

WHAT DOES IT MEAN?

Credit Limit

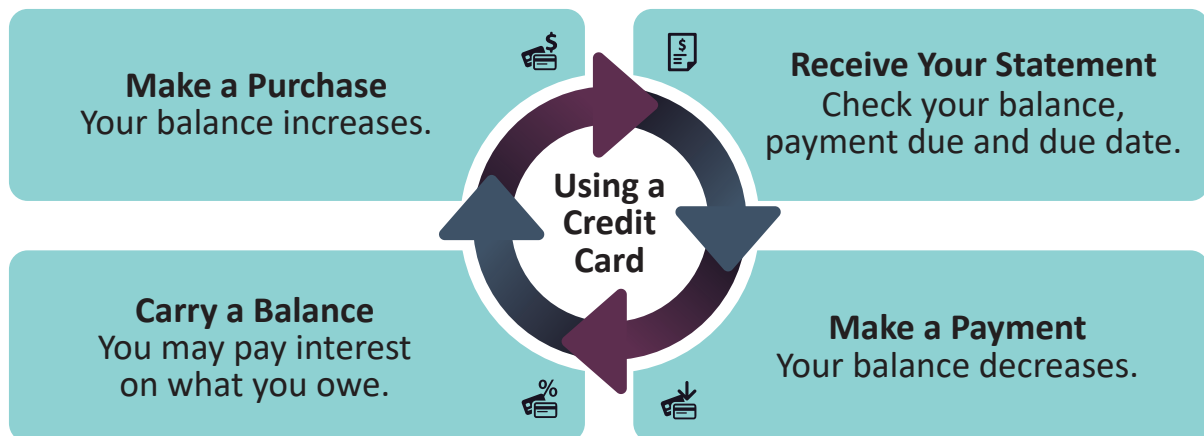
The maximum amount you can borrow on a credit card.

Credit Card Balance

The amount you currently owe on your credit card.

Minimum Payment

The smallest amount you're required to pay by the due date.



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Minimum Payment ≠ Best Payment

You usually have to make at least the minimum payment by the due date.

But paying only the minimum can keep you in debt much longer and cause you to pay significantly more in interest.



REAL-LIFE EXAMPLE

You have a \$2,000 credit card balance.

APR (Annual Percentage Rate): 24%

Minimum Payment: 2% of the balance

A minimum payment may look manageable—but it can take years to pay off a large balance if you continue carrying it.

Paying more than the minimum can help you pay down the balance faster and reduce the interest you pay.



KEY TAKEAWAY

A credit card isn't free money.

Every purchase is money you're borrowing and will need to repay.



THINK ABOUT IT

Before using a credit card, ask yourself:

"Could I afford to pay this off?"



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The True Cost of Credit

Small Payments Can Add Up

Revised 9/3/26

What happens when you only pay the minimum?

Let's say you have:

\$2,000 credit card balance

24% APR

2% minimum payment

At first, a minimum payment might seem like an easy way to manage the bill. But a large portion of that payment can go toward interest instead of reducing what you owe.

WHAT DOES IT MEAN?

APR (Annual Percentage Rate)

The yearly interest rate used to show the cost of borrowing money.

Minimum Payment vs. Paying More

	Minimum Payment Only	Pay \$75/Month
Time to Pay Off	~16 years	~3 years
Total Paid	~4,700	~2,700
Total Interest	~2,700	~700

Paying \$35 more each month could save about \$2,000 in interest and help you pay off the balance about 13 years faster.

Why does this matter?

When you only make the minimum payment, you're paying down the balance very slowly. That means you end up paying much more than the original purchase price.

A purchase that costs \$30 today could ultimately cost you much more if you carry the balance and pay interest for a long time.

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QUICK TIP

Pay more than the minimum when you can.

Even a little extra can help reduce your balance faster and lower the amount of interest you pay.



THINK ABOUT IT

If you had an extra \$35 each month, what could you do with it?

Would you rather use it to:

Pay down debt faster

or

Keep paying interest longer?



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Protect Your Money

Catch Problems Early

Revised 9/3/26

Check your accounts regularly.

Make a habit of reviewing your bank and credit card accounts—not just when you need to make a payment.



Read your statements.

Review your bank and credit card statements carefully. Look for purchases, withdrawals, transfers or fees you don't recognize.



Know your due dates.

Keep track of when bills and credit card payments are due. A missed payment can lead to fees and may hurt your credit.



Watch for missing statements.

If you normally receive a statement or bill and it doesn't arrive, don't ignore it. Check your account or contact the company.



Review your credit.

Check your credit reports regularly to make sure the information is accurate and to look for accounts or activity you don't recognize.



QUICK TIP

Make account-checking a habit.

Set aside a few minutes each week to review your accounts and recent transactions. It's much easier to spot something unusual when you know what normally happens with your money.



THINK ABOUT IT

When would be the easiest time for you to check your accounts each week?

☐ After payday

☐ On the weekend

☐ Another day: _____



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Protect Your Identity

Keep Your Information Safe

Revised 9/8/26

Your personal information is valuable.

Your personal and financial information can be valuable to scammers and identity thieves. They may try to trick you into sharing information that could be used for **identity theft** or to access your money or accounts. Knowing what to watch for can help you protect yourself.



Protect Personal Information

Don't share account numbers, passwords, PINs, or other sensitive information unless you know who you're dealing with and why they need it.



Be Careful on Public Wi-Fi

Avoid accessing online banking or other confidential information when using unsecured public Wi-Fi.



Be Cautious With Unexpected Calls

Be cautious if someone unexpectedly calls, texts or emails asking for your banking or personal information. If you're unsure, contact your financial institution using a trusted phone number.



Shred Sensitive Documents

Shred documents that contain personal or financial information instead of throwing them in the trash.



WHAT DOES IT MEAN?

Identity Theft

When someone uses your personal information without your permission, often to commit fraud or access accounts.

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Watch for Red Flags

Scams can take many forms, but they often involve someone trying to get you to:

-  **Share personal information**
Account numbers, passwords or other sensitive details.
-  **Send money quickly**
Especially when someone creates a sense of urgency or pressure.
-  **Click a suspicious link**
A message may look legitimate but could lead to a fake website designed to steal your information.
-  **Keep the situation secret**
Scammers may tell you not to talk to your bank, family or friends.

Safeguard Your Accounts & Identity

A few extra steps can help protect your identity and make it harder for someone to access your accounts:

-  **Use strong, unique passwords**
Use different passwords for important accounts, especially banking and email.
-  **Turn on multi-factor authentication**
Multi-factor authentication (MFA) adds another layer of protection by requiring an additional verification step when you sign in.
-  **Set up account alerts**
Alerts can notify you about purchases, withdrawals, password changes or other account activity.
-  **Protect your devices**
Keep your devices and security software up to date. If you use antivirus or anti-malware software, choose a trusted provider and download it from an official source.
-  **Check your credit reports**
Review your credit reports for accounts or activity you don't recognize. You can request free credit reports through the official source, AnnualCreditReport.com.
-  **Consider a credit freeze**
A credit freeze can restrict access to your credit report, making it harder for someone to open new credit accounts in your name. You can temporarily lift or remove a freeze when you need to apply for credit.



KEY TAKEAWAY

When in doubt, stop and verify.

It's okay to pause, ask questions and contact the organization directly using a trusted phone number or website before taking action.



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Know What to Do When Something Happens

Revised 9/10/26

If something doesn't look right, take a moment to check.

Even when you're careful, mistakes and fraud can happen. If something seems unusual or someone unexpectedly asks for your money or personal information, pause before taking action. A few extra moments can help you avoid a costly mistake.

If You Spot Something Suspicious



STOP

Don't respond or share information.

Pause before clicking a link, sending money, providing personal information or continuing the conversation.



CALL

Use a trusted phone number.

Contact your bank, credit card company or the business directly using a phone number you know is legitimate—not the number or contact information provided in a suspicious message or call.



VERIFY

Ask if it's legitimate.

Check with the company or financial institution to find out whether the call, message, email or request is real.

What to Do If You've Been Scammed

Act quickly. The steps you take can depend on what happened, but these are good places to start:

- **Contact your bank.** Tell them what happened and ask what steps you should take to protect your account.
- **Change affected passwords.** Update passwords for any accounts that may have been compromised.
- **Watch your accounts.** Look for unfamiliar transactions or other suspicious activity.
- **Report the scam.** Report fraud or identity theft to the appropriate company or government agency.

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KEY TAKEAWAY

When something doesn't look right, stop, call and verify.

Taking a moment to ask questions before you act can help protect your money and personal information.

Keep Learning

Want to learn more about protecting your money and identity? Explore trusted resources for additional information:

1. AbbyBank

Explore more resources from AbbyBank, including financial education tools, helpful articles, scam prevention information, identity theft resources and more.

AbbyBank: Scan the QR code or visit:

<https://www.abbybank.com/>



2. Consumer Financial Protection Bureau

Find free information and tools about credit, borrowing, banking, money management and protecting yourself from financial scams.

CFPB: Scan the QR code or visit:

<https://www.consumerfinance.gov/>



3. Federal Trade Commission

Learn about current scams, how to recognize them and what to do if you've been scammed.

FTC — Scam Alerts: Scan the QR code or visit:

<https://consumer.ftc.gov/>



4. USA.gov

Learn about common scams and fraud, including identity theft and imposter scams. Find out how to recognize scams, protect yourself and report fraud to the right government agency.

USA.gov — Scams and Fraud: Scan the QR code or visit:

<https://www.usa.gov/scams-and-fraud>



5. FDIC — Money Smart:

Explore free financial education resources designed to help people build practical money skills.

FDIC Money Smart: Scan the QR code or visit:

<https://www.fdic.gov/consumer-resource-center/money-smart>



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