Young People:
Your Future, Your Money

CONTENT NOTE

Global Financial Education Program
FROM POVERTY TO PROSPERITY

Introduction

Knowledge, skills, and experience give young people the confidence to face new situations, and the more they understand about the situations they are in, the more they enjoy them. For example, if a young person watches a professional soccer game, she will appreciate the skill and moves of the players far more if she has played soccer before and knows the rules of the game. Likewise, if a young person has looked after his baby sister or brother, he will be better prepared to care for his own child later on.

It is the same with money. The more young people know about money—good ways to earn it, how to spend it wisely, and how to save it—the more power and control they will have over their lives. This module on financial education for young people emphasizes that you don't have to be an adult to learn about money, you don't have to be good at math and you don't need to have much money to improve how you manage it.

Financial education, the focus of this curriculum, prepares adolescents and young people for the financial roles they will assume as adults by:

- building an understanding of basic principles of good money management;
- promoting awareness of personal financial issues and choices;
- developing knowledge, skills and behaviors to manage day-to-day expenses, prepare for life cycle events, set financial goals, and develop strategies to achieve them;
- introducing the concepts of assets, capital formation and wealth creation; and
- overall, making young people more informed financial decision-makers as they move into adulthood.

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Together with opportunities for education, supportive social networks, access to youth-oriented financial products and services, and links to market opportunities, financial education can be a strong catalyst in preparing young people for the social and economic roles they will play as adults.

The following content note provides background on topics covered in each of the four chapters in the module *Young People: Your Future, Your Money*. While it is a reference for trainers to review prior to facilitating the learning sessions in the module, the note is addressed to young adults so that it can be easily distributed as a supplementary learning material whenever appropriate. The note is divided into sections that correspond to the module's four chapters. *Managing Your Money* discusses three core elements of financial planning—setting financial goals, saving, and budgeting. *Financial Services* defines financial services, who provides them, and why they are important. It also includes a glossary of common terms used by financial service providers. *Financial Negotiation* discusses the role of negotiation skills in everyday life and how they can be applied to conversations about money. *Earning Money* suggests some things that young people can think about as they make decisions about work and earning for the first time: self-assessment of personal traits and interests; options for earning money and how they differ; and the challenges and risks associated with different types of work.

MANAGING MONEY

Developing skills in personal financial planning will help you to manage your money and live within your income. Two important financial planning skills are saving and budgeting. Learning these skills will enable you to look towards the future and build the confidence that will enable you to plan for it.

Saving

Savings are essential for good money management. People save by putting money aside when it comes in and spending less when it goes out. To save, you need to spend less than you earn. Savings can be kept in banks, credit unions, or piggy banks. Developing the discipline to save is one of the most important things that can be done to manage money.

People save to:

- *Meet financial goals*. Most of us have dreams or wishes about things we want to buy. In the short term, you might want to buy a cell phone; in the longer term, you might want to own a business. You can meet financial goals like these by saving money on a regular basis.
- *Deal with emergencies*. Unexpected emergencies such as an illness, theft, burglary or fire usually mean unexpected expenses that can cause financial hardship. Savings can help to deal with these expenses. Without them, you may have to borrow money and to work extra hard to pay back the loan. Your savings will help you respond to the emergency, allowing you to get back on your feet faster.
- *Take advantage of future opportunities*. When an opportunity arises—such as the chance to go to school, start a business or get a good deal on a purchase you want to make—you can use your savings to take advantage of it.

Meet Financial Goals with a Savings Plan

Having a **financial goal** will motivate you to save. Each person's goal will be a little different. It is important to save for the things which are most important for you. A **savings plan** guides the way you manage your money so that you can meet your financial goals. The following steps will guide you in developing a savings plan.

1. Decide on a **financial goal**: something that you want to save for.

   Example: Imagine your goal is to attend a computer training program that will start 10 months from now. The course tuition is $200. This is your financial goal.

You can think of your personal financial goals as **short-term** or **long-term**. Short-term goals concern things you want or need immediately or in the next few weeks or months, like a new dress or a pair of jeans. Long-term goals involve things you want or need in a year or more. Examples could be taking a trip, getting your own place, or buying a motorcycle.

2. Calculate your **savings target:** the amount you need to save over a period of time to meet your savings goal.

   Example: The tuition for the training program is $200 and you have 10 months to save that amount. You must save $20 each month. This is your savings target.

3. Make a **savings plan** to help you meet your savings target. Look at the amount of money you expect to get each month, including money you earn, allowance from your parents and gifts. Calculate the amount you could put aside towards saving for the course tuition.

   There are two main ways to save: Increase your income or reduce your expenses. If you don't have enough money coming in to save $20 each month, think of ways you could increase your income. Work additional hours or take on other odd jobs. Next, identify ways you might be able to cut back on expenses and put this money into your savings.

   Example: Spend less on video rentals, sodas, clothes and other non-essential items.

   If you realize that saving $20 a month is too ambitious, adjust your savings target.

   Example: Make your savings target $10 a month. It will now take you 20 months to save up for the computer training program.

Ways to Save

Do you really want to be able to manage your money well? Find the discipline to save, and make it a habit.

- *Save regularly*. Try to save something, even a small amount, every day or week. When you put money into your savings on a regular basis it will become more automatic. Even small amounts add up. Develop this habit when you are young and it will become easier as you get older.
- *Take stock of your savings plan*. Regularly check the amount you have saved and the amount you have to fall back on in an emergency and/or how close you are to your goal. This is the best way to see how the small amounts you put aside grow into larger savings. When you have saved enough to feel more secure or meet a financial goal, you will be motivated to keep saving!

- *Have patience*. Remember, it will take time to reach your financial goals. But when you do experience progress towards attaining a goal, you will realize that you have the power to control your spending and work towards achieving what you want.

THE RULES OF SAVINGS

1. Decrease your expenses to find money to save.
2. Increase your income to have a little extra to save.
3. Save something every day or every week.

Budgeting

A **budget** is a summary of estimated income and expenses, including savings, over a period of time (for example a week or month). It is a plan for spending and saving money. A budget helps you make decisions about how much money you can spend. A budget helps you take control of your money and serves as a guide to help you live within your income.

Creating a budget involves three basic steps:

1. Estimate your expected income over an average week or month including income you receive from work, allowances, gifts or other sources.
2. Estimate your expected expenses over the same period of time. Think about all the things that you spend money on and estimate the amount you spend on each item (on average) every week or month. You should include both necessities, such as rent, school fees, food, clothing and transportation, and non-essential items such as entertainment.
3. Estimate the amount you expect to save every week or month. Here is where your savings plan comes in—it will help you create your budget.

FIGURE 1: SAMPLE BUDGET

Budget Items	*Amount (estimated average per week or month)*
Income	
After school job	
Allowance	
TOTAL INCOME	
Expenses	
Necessary	
Food	
Transportation	
Health	
Education	
Discretionary	
Entertainment	
Savings	
TOTAL EXPENSES	
TOTAL SURPLUS/DEFICIT	

Your budget will tell you the amount you can spend and save each week or month to still stay within your budget. When you make a budget, you will compare your earnings to your regular expenses. Then you will know whether you have enough money to cover all of your expenses. If your earnings do not cover your expenses, your budget will make it easier for you to identify which expenses to cut back when all are listed together.

STAY WITHIN YOUR BUDGET TO MEET YOUR FINANCIAL GOALS!

- Follow your budget. Don't spend more than the amount you have allocated to each expense, especially non-essential items. This is difficult!
- Review your budget regularly and adjust it as your income, spending, and savings change.

FINANCIAL SERVICES

Good money management involves keeping a little money aside when it comes in, avoiding unnecessary expenditure, and finding a safe place to store what is left over.[1]

What are Financial Services?

Financial services such as a formal bank or an informal Rotating Savings and Credit Association (ROSCA) can help you manage your money. They are particularly helpful when you want to get hold of a large sum of money, or lump sum. You may need a lump sum for a variety of reasons including a large purchase, an important life event (a wedding for example), an emergency, or an investment opportunity (Rutherford, 2000).

There are two ways to get a large sum of money: You can save it, or you can borrow it. In both cases, the process involves depositing small amounts of money on a regular basis with a financial service provider. When you save it, you make small regular deposits until you have accumulated the amount of money you need. When you borrow, you get the lump sum right away and make small regular payments on the loan. A financial service provider is useful in both cases.

Financial services can also help you to manage money by providing a way to transfer money from one person to another safely. **Money transfers** may be made through checks, wire transfers, phones, cell phones, internet, or automated teller machines (ATMs).

Who Offers Financial Services?

Various groups and organizations offer savings and borrowing services. Banks are the best known formal financial service providers. Other institutions that operate like banks include post offices, credit unions, cooperative banks, and microfinance institutions. The main difference between these formal financial service providers is that they operate under different legal charters.

[1] Rutherford, Stuart., *The Poor and their Money,* Oxford University Press, New Delhi, 2000.

FIGURE 2: FORMAL AND INFORMAL FINANCIAL INSTITUTIONS

Formal Financial Institutions	*Informal Financial Institutions*
Banks Post Offices Credit Unions Regulated MFIs	Savings clubs ROSCAs Village banks Local moneylenders Non-regulated MFIs

Informal financial services include savings clubs, self help groups, village banks, moneylenders and Rotating Savings and Credit Associations (ROSCAs, usually known by a local name wherever they are common, such as *merry-go-rounds* in Kenya or *tontines* in West Africa). All of these provide a place to save and/or borrow money. The main difference between formal and informal financial service providers is that the informal providers are not governed by banking laws; their rules are usually made and enforced by members, and they operate largely on the basis of trust between members.

You should find out what financial service options you have in your area and how their savings and loan products fit your needs. Some may require you to be at least 18 years old to open an account by yourself. Learn about bank products and their requirements by visiting banks, reading their brochures and other information, and talking to people. The more you know about financial institutions the better you will be able to choose the right one for you.

Savings Services

Savings services, both formal and informal, can help you stick to a savings plan in three very concrete ways:

1. They keep your money out of your immediate reach, making it harder for you to spend.
2. They keep your money safe.
3. Some pay interest on the money in your account, and help your money grow.

You can choose how and where to save. Each savings option has its own advantages and disadvantages. You will have to decide which is best for you.

Informal Savings Options

Keeping money at home. The most common place that people save their money is at home. Keeping money hidden under a mattress or in a jar buried in the ground is easy and convenient, but carries risks.

FIGURE 3: SAVING MONEY AT HOME

Advantages	*Disadvantages*
▮ Easy and convenient ▮ No bank charges or fees ▮ No minimum balance required ▮ No age limits ▮ Money is easily available for emergencies	▮ Risk of theft ▮ Temptation to spend the money because it is so accessible. (You need strong discipline to avoid spending your savings yourself and to resist the pleas of other family members or friends.) ▮ Money saved at home does not earn any interest and might lose some of its value over time.

Other informal savings options. These include savings clubs, rotating savings and credit associations (ROSCAs), accumulating credit and savings associations (ASCAs), reciprocal savings and lending with neighbors or relatives, and saving with money guards (friends or relatives willing to hold a saver's money for a period) or informal sector deposit collectors (people who charge a fee to hold a saver's money for a determined period).

FIGURE 4: SAVING MONEY WITH OTHER INFORMAL FINANCIAL INSTITUTIONS

Advantages	*Disadvantage*
▪ Informal savings devices are often highly convenient and easily accessible. ▪ Costs, in some cases, are lower than formal savings services. ▪ They may provide a chance to meet with friends or neighbors of other community members. (Through these relationships you may be able to build networks that can help you in your work or other aspects of community life.)	▪ May be unreliable, insecure and/or illiquid. Informal savings devices are not protected legally and enforcement of the rules often depends on mutual trust of members.

Formal Savings Options

Banks and other formal financial service providers are usually the safest place to put your money. They offer different types of savings accounts to meet a variety of savings needs and goals. Increasingly, banks offer convenient automated teller machines (ATMs) that give you access to your account all the time. Banks are not only for rich people. While you generally do need a minimum amount of money to open an account, that amount may not be as high as you expect. However, banks may also charge fees for transactions that can add up to a lot of money. Find out everything you can about the bank's policies before opening an account.

FIGURE 5:
SAVING MONEY WITH FORMAL FINANCIAL SERVICE PROVIDERS

Advantages	*Disadvantages*
▪ Safety. Most banks have secure premises and insurance to guard your savings. ▪ Privacy. Your account information is private. ▪ Account and product choices. Some savings accounts allow for frequent deposits and withdrawals while others promote long-term savings by holding the money you deposit for a fixed period and paying a higher rate of interest. Savers may have better access to the bank's loan products. ▪ Convenience. While the queues inside banks can be time-consuming, many banks now offer cash machines called Automated Teller Machines, or ATMs that enable clients to deposit and withdraw money 24 hours a day, 7 days a week.	▪ Bank requirements might be difficult to meet. In many cases, one must be 18 years old to open an account. Banks also set minimum deposit amounts to open and/or maintain an account. ▪ Banks charge transaction fees for deposits and withdrawals. Making small and frequent deposits or withdrawals can be expensive. ▪ Limited banking hours may make it difficult for you to get your money in the case of an emergency. ▪ The location of the bank may be a disadvantage. If the bank is not near where you live or work, you will need time and money to get there.

When you are deciding where you want to save your money, compare your options. Find out what the terms and conditions are at each institution.

ASK THESE QUESTIONS TO HELP YOU DECIDE WHERE TO SAVE

1. How old do I have to be to open a bank account?
2. How much money do I need to open a savings account?
3. How can I avoid monthly fees on the account?
4. What are the charges for deposits and withdrawals?
5. What is the minimum amount I can deposit?
6. Can I withdraw my money at any time?
7. How do I keep track of my deposits, withdrawals and balance?
8. What rate of interest does the bank pay on this account?

Lending Services

Lending money is another key financial service offered by banks and other financial institutions. A loan is money that is borrowed and is expected to be paid back within a defined period of time. It costs money to take a loan. Lenders typically charge both interest on the loans they make and fees to process the loan application. When you borrow money, you must repay the amount you borrowed, plus interest, usually calculated as a percentage of the loan.

A loan is useful in the following situations:

- You need money for an emergency (for example, a medical emergency in your family).
- You have an opportunity to make a good investment. A good investment would be one which brings in enough extra money to allow you to repay both the loan and the interest charges on the loan. For example, a loan to buy a motorcycle that you will use to make deliveries is a wise investment if it generates enough income to more than cover the cost of repaying the loan.

A loan is **not** useful in these situations:

- You spend it for an item that you do not need immediately, or an activity that does not earn income. Items for personal use should be purchased with savings to avoid the cost and responsibility of borrowing.

Borrowing may give you easy access to money, but it comes at a price. **Borrowing costs money.** Borrowed money must be paid back. Banks and moneylenders typically require that you pay interest on the loan and that you repay on time. You may get into legal trouble if you don't meet these requirements.

Taking a loan always carries the risk that you might not be able to repay. You want to be confident that you will be earning enough money to honor your repayments without making important sacrifices in your daily life. You do not want to miss a payment or fail to live up to other requirements. The penalties might put you deeper into debt.

BEFORE YOU TAKE OUT A LOAN

- Think carefully about why you want to borrow money.
- Know the terms and conditions associated with taking out a loan so that you understand exactly what your responsibilities are. Know the amount you must repay, when you must make your payments and what interest rate you are being charged.
- Remember that if you can use your own money instead of taking out a loan, you avoid paying interest and you don't have the pressure to repay on time.

Information is a Key to Making Good Choices About the Use of Financial Services

Gather information. Banks and other financial institutions offer a wide variety of financial products and services. Each has its own policies. Find out what these are before selecting the bank you will use. Sometimes banks have printed information you can read and compare. You can ask the bank employees to tell you more about their services and to write down the details for you. In some cases you can get information on the internet about financial products and services at a particular institution. Take time to understand their terms and fees before you make a decision.

Common Terms Used by Financial Service Providers

Savings Services

Savings: something, especially money, which is kept aside and stored up for future use.

Deposit: to put money into an account.

Withdrawal: to take money out of an account.

Transaction fees: fees charged for withdrawals from or deposits into a savings account.

Minimum balance: the amount of money needed to keep an account open.

Informal savings: savings held outside of a formal financial institution.

CONSIDER THESE QUESTIONS WHEN SELECTING A LENDER

1. What is the interest rate on the loan I want?
2. How often must the loan principal and interest be paid?
3. What is the amount of each installment?
4. Do I have to have savings in my account to qualify for a loan? If so, how much do I have to keep in my account?
5. What fees must be paid to obtain a loan?
6. What penalties are charged for late payments?
7. Where are loan payments made? How far do I have to travel to make my payments?
8. If I borrow through a group, how often do group meetings take place? How long do the meetings last?

Credit Services

Credit: money that a financial institution provides a client on a temporary basis; the client borrows funds with the intent to repay them.

Loan: a sum of money that is borrowed and is expected to be paid back.

Debt: something, especially money, that is owed or due.

Loan terms: the conditions of a loan, including the amount that can be borrowed, interest rate, and length of time to repay.

Principal: the original sum of money lent; the lender charges interest on this amount.

Interest: a fee paid for the use of money. A borrower pays the bank interest on a loan. A bank usually pays interest to its savers for the use of their savings deposits.

Interest rate: the percentage of a sum of money that is charged for its use.

Collateral: an item of value that the borrower pledges to the lender in case he defaults on his loan (such as land, vehicle, savings, or guarantees from peers or co-signers).

Assets: cash or anything of value that can be converted to cash, such as personal property or a savings account.

Guarantor: a person who will back a borrower up in the case that he cannot repay a loan; this person may be required to co-sign the loan agreement with the lender.

Repayment schedule: the due dates for incremental payments to a lender.

Default: failure to pay a loan or otherwise meet the terms of a loan.

FINANCIAL NEGOTIATIONS

The real winners in life are the people who look at every situation with an expectation that they can make it work or make it better.[2]

Negotiation is Communication

Negotiation can be defined as communication with others for the purpose of reaching agreement.

Negotiation is a part of daily life. You probably negotiate something with someone every day. For example, you may negotiate with your parents about how late you can stay out or how much money you can borrow. You may negotiate with your friends about where to meet, about what music to listen to or what movie to see.

The better you become at negotiating, the smoother and easier your life will be. Negotiating is a skill that you can learn. The best negotiators are those who try to reach a friendly agreement, a compromise that gives everyone involved at least part of what they want.

Negotiations can result in different outcomes:

- The best outcome in any negotiation is a **win-win** outcome. This means that both sides in the negotiation feel pleased with the outcome and get something they want or need. Both will be willing to negotiate again. For example, you might negotiate with your parents about going out with your friends on Friday night and they might agree on condition that you stay home and look after your younger brother on Saturday. Both you and your parents get something you want. This is a win-win situation.
- Not all negotiations end with a win-win outcome. In a **win-lose** or **lose-win** situation one participant gets what she wants and the other gets nothing. When this happens, the loser is less likely to want to negotiate with the winner again.
- In a **lose-lose** situation the two parties cannot come to agreement and decide to end the negotiation with neither party getting anything.

[2] Stark, Peter B. and Jane Flaherty, *The Only Negotiating Guide You'll Ever Need: 101 Ways to Win Every Time in Any Situation,* Broadway Books, NY, 2003, quote from Barbara Pletcher, p.9.

POSSIBLE NEGOTIATION OUTCOMES

Win-Win	Both participants in the negotiation get something they want or need, if not everything.
Lose-Lose	Nether person involved in the negotiation gets what she/he wants.
Win-Lose/Lose-Win	One participant gets what she or he wants and the other gets nothing.

Financial Negotiations: Negotiations that Involve Money

Money is one of the most difficult topics to talk about with other people because it is a very private issue. People also get emotional about money which can make financial negotiations difficult. Yet, financial negotiations are a regular part of life. Asking your parents for money, bargaining for things at the market, or discussing with friends about who will pay for what are all examples of financial negotiations.

To improve your financial negotiation skills, consider these practical steps:

1. **Prepare** for the negotiation ahead of time. Being prepared will give you an advantage when you are actually negotiating. To prepare for a specific financial negotiation you expect to have, ask yourself these questions:
   - What do I want and why?
   - What are the interests and motivations of the other person?
   - What are the possible agreements that will satisfy all those involved in the negotiation?
   - What will I do if we cannot agree?
   - What information or experience do I have to back up my position and ensure fairness?
2. **Decide what you want** from the negotiation.
   - Collect information to help choose the outcome you will seek.
   - Evaluate your options.
   - Seek advice from someone who might know more about the situation.

3. **Communicate** your needs and desires clearly and with confidence.

   - **Understand the interests of the other person.** This will help you to develop a proposal that offers benefits to both sides. Listen to what the other person is saying. Listening skills are crucial for good communication.
   - Maintain eye contact.
   - Acknowledge the other person's point of view—do not immediately reject his/her ideas.
   - Try to look for a compromise that will satisfy everyone involved.

4. **Control your emotions** and do not allow conflict or anger to ruin the negotiation.

   - Maintain a respectful dialogue with the other person. Do not be rude or insulting. People are more likely to accept your proposal if they have good feelings about you.
   - Remember that you might want to negotiate with this person again in the future and you do not want to create a bad relationship.
   - If you continually bear in mind that you are trying to work towards the end result of *win-win*, you are more likely to be able to remain calm and to complete the negotiation in a satisfactory manner.

5. **Stay focused on the issue.** You do not want to get side-tracked talking about something else, and never complete the negotiation.

6. **Be willing to compromise.** If you are flexible and do not lock yourself into one position, you are more likely to negotiate successfully and come to a solution which benefits both sides. Accomplishing some, if not all, of your goals, is better than walking away with nothing.

7. **Know what you will do if the negotiation fails.** If it is clear that a negotiation is not going to be successful, try to end the negotiation to avoid anger or misunderstanding. You might want to negotiate with this person again in the future.

8. **Allow yourself to feel a sense of accomplishment when you have successfully completed a negotiation.** Even walking away from an unsuccessful negotiation in a calm and pleasant way should be counted as a success.

The more we practice our negotiation skills, the better prepared we will be to become real winners in life, negotiating outcomes that provide win-win results to us, and to our friends, families and communities.

EARNING MONEY

Work is an important part of life. At the most basic level, work means exerting energy to accomplish something. You can work for school, work at home, or work at a job. This section focuses on work to earn money.

As adolescents and young people, you are likely growing more aware of what economic independence means. You are probably beginning to make the link between education, work, and money. If you are thinking about the type of work you would like to do, you may be making the connection between different types of work and your abilities, interests, and experiences. You know that each occupation requires specific skills and that the earning potential of each type of job varies. These are the factors that are helping you to form your attitudes about work. Thinking positively about yourself is especially important for making career and occupational choices.

During this time parents, mentors, and other adult role models can have an important influence in shaping your values and expectations around income-earning activities.

Think ahead about the risks, challenges and benefits of earning money. Anticipating these issues will help ensure that you have a safe and productive entry into the work world. Making the right choices can make working a rewarding and empowering experience.

Personal Qualities, Interests and Skills

Assess your personal qualities, interests, and skills. These features will help you shape your preferences, strategies, and choices about work.

Reflect on your **personal qualities**—your personality and temperament—to develop a vision of the type of work you would like to do. Certain types of work may fit some personality types better than others. For example, if you are friendly, outgoing and talkative, you may prefer to work in sales. If you like to pay attention to detail, you might be happy as a bookkeeper or a bank teller. If you are cheerful but tough, you might do well in a health clinic. Consider your personality traits and match them with the traits that are called for in certain jobs or occupations.

Take stock of your **interests, skills, and abilities** to help you make decisions about earning money. If you like to cook and bake, you might be suited to food processing and preparation. If you are good at fixing things, auto mechanics might be for you. If you interact effectively with children, teaching might be a good option.

Self-Employment and Wage Employment

Consider whether you want to work for yourself (self-employed) or work for someone else in a job that pays you a wage.

Understanding the range of employment options and types of work—and how they differ—will also help you develop ideas for earning money. The two basic options are wage employment and self-employment. The skills required for each one don't always differ, but the terms of employment often do and your personality may fit one type better than the other.

You can earn money through **wage employment** by working for an employer who pays you a wage. You can be paid in different ways. If you have a salaried job, you will earn a specific amount every month and may also have benefits such as health insurance, sick leave, or a savings plan. If you have a wage job, you will have set hours and work in return for a specific amount per hour or day, with or without other benefits. If you earn money as a casual worker, you might work for one employer on one day, another employer the next day, and have no work the next day. You will not have any benefits and what you do and the amount you earn will probably vary.

You also can earn money through **self-employment** by working for yourself in your own business. As a business owner, you hope to earn a profit, but accept the risk of a loss. You are also your own boss; you can set your own hours and make your own decisions. While you will decide what to do with your profits, the amount you earn may be irregular. Sometimes you might lose money if no one buys what you are selling. You will be responsible for all aspects of the business.

Make Safe Choices

Learn about the risks associated with each type of work you are considering in order to make safe choices concerning your job.

Consider the risks associated with different types of jobs. For example, a job that is located in a remote location or that requires you to use dangerous equipment may pay more, but can pose high risks. Some jobs pose serious risks to your health by exposing you to dangerous chemicals or life-threatening diseases. Many jobs lack legal protection and/or have employers who do not respect the rights of workers. You may find yourself seriously exploited and without security. If the work you do is illegal, you could end up in jail.

If you are a young woman, you probably will face some unique challenges in earning money sometime during your life.

Women are a critical part of the labor force throughout the world. They do both paid and unpaid work that is essential to the economy. In most countries, the majority of women participate in the labor force. However, gender stereotypes put women at a disadvantage in the workplace. Women often have access to a more narrow range of job possibilities than men. The lowest paying jobs often have a high proportion of women. Jobs and occupations dominated by women generally have lower average earnings than those dominated by men. Women who work in the same jobs as men often earn less. If you are a young woman entering the work world, this may affect your access to certain jobs or occupations and reduce your earnings.

Women often face more challenges than men in juggling work and family roles. Women generally spend more hours working in unpaid household activities such as child care, cooking, and cleaning than men do. This increases stress and reduces the amount of time they have for rest and leisure activities.

The risks of sexual harassment and coercion are greater for women. If you are a young woman, it is important that you learn to recognize what sexual harassment and coercion are, and that you talk to other women about how to deal with these issues. It is essential that you know how to establish boundaries with work colleagues and learn how to protect yourself from unwanted comments or advances.

ASSESSING WORK OPTIONS CHECKLIST

- Decide what personal qualities, interests and skills you bring to the world of work.
- Identify the occupations that are good fit with your personal qualities and skills.
- Find out what education, experience and skills are needed for the occupations that you have identified and how you pursue them.
- Consider the advantages and disadvantages of self-employment and wage/salaried employment.
- Consider the earnings from different types of work.
- Identify the risks associated with the types of work that interest you.

CONCLUSION

You have so much to think about as you plan your future! While you still face so many uncertainties, one thing is certain. Right now you can start to take the small steps towards managing your money. You can budget, spend carefully and save regularly. Developing these wise financial habits now will serve you well throughout your life. Taking control of your finances now will help you transform your future from dream to reality.

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