

Manage Your Funds From Your School Days

Each of us undergoes a sea change once we hit the golden age of sixteen. At this time, they are made to start managing their own finances. Soon they will be completing high school and will be ready for college. Some of them might even take up jobs and begin to pay off their own bills. Thus, it becomes important for children to learn about finance right from the time when they are in school. Parents sometimes follow the practice of giving pocket money to their children.

Most often, this allowance this could be given to them on a weekly or monthly basis. In most families it is seen that once a child runs out of money, he will approach the parent for an advance. This constitutes the first step towards getting to know how money should be used.

Young people learn the value of money through the practice of taking an allowance. They learn about how much they should spend and what they should be saving. This is what allows them to understand the concept of saving. They come to realize that accumulating savings will give them the bonus of having some extra money when their friends have all used up their pocket money. Once the value of money has been understood, young people choose to take on much responsibility.

They finally begin to understand that they can achieve a lot more if they are careful with their spending. If on impulse, they spend all their money on a music album or a tennis racquet, they will realize that they have little liquid cash. After such an impulsive buy, they will have to wait till it is time for their next advance. This will teach them to cut corners and use their money in a wise and prudent manner.

Also while applying for colleges, parents should guide their children and help them understand the fee structure. Students should be told about education loans and familiarized with the processes of applying for these. They will then realize that funding a higher education degree can be expensive. Paying for a degree is not a cake walk. They will finally understand that money is a necessity and not a luxury.

They will learn to approach banks for educational loans, and will look around for part time opportunities so that they can start repaying their loan at once. This gives them the independence and freedom to do what they enjoy and act as responsible adults.

These days, young students are much smarter than they often get credit for. They not only manage their own finances but have also learnt how to save and indulge in things that they have their hearts set on. They will also realize that they need to manage the funds on hand, and start saving up for the future. If they want to party, or go out with friends, they will consider the money that they have, will calculate how much they can spend, and will act accordingly. The young people of today are well aware that they need to start acting like adults while they are still studying. The effective way in which they handle their finances is a case in point.

About the Author

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