

Name: \_\_\_\_\_

## Question: Spend or Not Spend?

There are only two things you can do with money: spend it or save it.

We're often warned not to spend more than we earn, to save for the future, and to be careful about our money. Yes, that's important, but it's also important to learn how to enjoy your hard-earned money without feeling guilty about spending.

Here are some things to consider:

- Before you spend on extras, be sure that your basic financial needs are covered (e.g., rent, food, phone, gas for your car, etc.)
- Always have an emergency fund of three to six months of expenses. You never know when your car will need brakes, you get a stain on your winter coat, or the price of peanut butter drastically rises!
- Even though you are still young, when you get a job you should immediately save a bit of each paycheck in a retirement fund. Once you do that, then it's okay to spend some of your income on an enjoyable treat.
- When you do decide to spend, it's probably better to spend on "experiences" instead of just "things." Some studies have shown that spending money on experiences like travel tends to make people happier, and for longer, than spending money on material things. Maybe that's because we get accustomed to the goods we buy, and pretty soon they don't seem so special anymore. But the experiences we have not only live on in our memories, but they even become better memories as time goes by.



Now it's your turn. Search online for items that would cost approximately \$1,000. You want to find three "things" or items along with three "experiences", for a total of six. List each item on the chart. Then decide whether each item would be a good or bad spending choice.

Check on-line for three “things” and three “experiences” that would cost around \$1,000. List them in the table below and explain why each would be a good or bad spending choice for you.

<b>Things</b>		
<b>Cost</b>	<b>Good or Bad Spending Choice</b>	<b>Why?</b>

<b>Experiences</b>		
<b>Cost</b>	<b>Good or Bad Spending Choice</b>	<b>Why?</b>