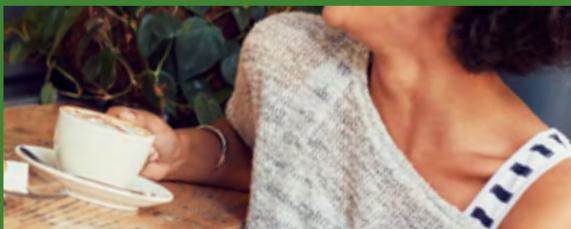


Young, Wealthy and Wise:



Level Up Your Finances,
Level Up Your Life



SYNCHRONY BANK LEARNING SERIES

Young, Wealthy and Wise:

**Level Up Your Finances,
Level Up Your Life**

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Table of Contents

Introduction **06**

Chapter 1: Dreaming big: Designing your future life **11**

Chapter 2: Building a solid foundation: Understanding financial literacy basics **18**

Chapter 3: How to make more money **30**

Chapter 4: Moving through the digital world of money **37**

Chapter 5: How to keep finding the right financial advice **43**

Conclusion **48**

Resources **50**

Additional Sources **52**



Introduction

Money matters. While you can't use it to buy happiness (or so they say), it does make the world go round. And, just to fill out our collection of things your grandpa might tell you, it doesn't grow on trees—at least, not directly.

In short, a big part of life involves finding a way to earn money and then figuring out the right things to do with it. Solve this problem and you can live your life well.

As you grow up, you learn about money from all sorts of places: parents, other adults, school, friends, TV, social media and the internet. But the fact is, it can be hard to sort out the good advice from the bad.

Plus, a lot of financial ideas from the past don't apply anymore. Older family members, for example, might have lots of tips on how to buy your first house based on how they did it.

Unfortunately, what worked for mom or grandma "back in the day" probably won't work for you now.

Times have changed, and the financial world has changed too. A lot has changed in the last few years in particular, and even more so since they were your age.

This isn't your parents' financial playbook.

72% of U.S. adults said they would be further ahead with their money today if they had had a personal finance class in high school.

Source: The Financial Literacy Crisis in America: 2023 Report ^a

There are pluses to this, for sure. Ask someone older about 20th-century money skills like balancing your checkbook or filling out a withdrawal slip to give to an actual human inside the bank just to take out 20 bucks to go to the movies. Managing money took a lot more time and effort in the ancient times before apps and smartphones.

But there are minuses, too. For a lot of Americans, life is a lot more expensive than it was in the past—especially when it comes to things like housing and education.¹ Part of this is from [inflation](#) (aka prices going up),² and part is from an increase in income inequality, which means that wages for lower-income earners haven't risen as quickly as those for higher-income earners.³

Also, you might have heard of this thing called the internet? Relax, just a joke. Well, as you know, it's changed how everything works, and that includes the financial world.

You can DIY things nowadays that older Americans had to go to an expert for, and you can come across money tips from "Finfluencers" layered in between funny cat videos and questionable recipe demos while you're scrolling TikTok in the bathtub. These things are neither good nor bad—probably they're both—but they're definitely different.

Even banking has changed. Before, physical branches were the only option. Now you have online financial services like those offered by us—Synchrony.

As an online financial institution, Synchrony is obviously a fan of digital banking and using apps to move money around with the swipe of a thumb. We offer a variety of tools to help you save money, like [high yield savings](#) and [money market](#) accounts, as well as [credit cards](#) so you can grow your credit and make the purchases you need. ([Use them responsibly](#), of course.)

And we're huge advocates of understanding how finances work and how best to manage your money so you can design your dream life. This is called financial literacy, and it's an important step on the road to adulthood. In fact, our mission to help more Americans gain financial literacy is the reason we created this book.

The Cost Of Financial Literacy

U.S. adults reported that they lost about \$1,015 in 2024 because they didn't understand basic household finance issues.

Source: National Financial Educators Council ^b

In the following chapters, we'll explain how to build skills that make sense in this new world of digital money and advice—and that will get you to financial independence and the future you want.



Chapter 1:

Dreaming big: Designing your
future life

How much money do you want to have, now and in the future? It's a harder question to answer than you might think.

The thing is, money itself is just a tool. For most people, it's not actually money they want—it's what they can buy with money that matters. You can't live inside a stack of hundred-dollar bills, and you can't eat them either. (Well, maybe you could, but we don't recommend it.)

You've probably been hearing the question "What do you want to be when you grow up?" your whole life, right? Nothing against career goals, but we suggest thinking about another question, too: "What kind of life do you want to live when you're grown up?"

The two questions sound similar, but they're not the same. One is focused on just your job. The other considers your whole life: family, friends, hobbies, passions and work.

*“Money is something we choose
to trade our life energy for.”*

Vicki Robin,
author of “Your Money or Your Life”

The trouble is, even if you find a job you love, it might not match up with what you want the rest of your daily life to look like. If trail running with your squad most weeknights at 5 p.m. is a high priority, a busy job where you have to stay late at the office might not be your jam. If glitzy getaways in Paris and Tokyo are your #lifegoals, then a career that's more for the passion than the income won't fit the bill.

Learning about money and making future career plans sets you up for the life you want, so it's worth taking some time to do it properly.

How do you do that? Follow these steps to help you design your future life.

1. Dream big

Whether you do it digitally, in a notebook or via old-school cork and thumbtacks, putting together a vision board or goals list will help you imagine the life you're aiming for. Some questions to ponder:

- Where will you live and work?
- What will you do on the weekends?
- Who will you spend your time with?
- How will you get to work?
- What will you wear?
- Are there kids in the picture, or pets?
- Where will you take vacations?

2. Build a budget

Next up, figure out how much this kind of lifestyle might cost you.

Price out apartments in New York City (or beach houses on your favorite coast). Find out how much you should plan to spend if you want to have kids. Look into the relative costs of frequent restaurant meals versus cooking at home.

Not sure what expenses you should even be considering? (You know about utility bills, right?) Ask a parent or another friendly adult to help guide you.

Setting up a mock budget like this will help you understand what your future lifestyle might cost and how much you'll need to earn.

Good budgeting reveals your priorities

“Don’t tell me where your priorities are. Show me where you spend your money and I’ll tell you what they are.”

James W. Frick,
educational association administrator

Looking good and spending big are not the same

“The best way to look stylish on a budget is to try secondhand, bargain hunting and vintage.”

Orlando Bloom,
actor

3. Create a plan

Now's the part where you strategize. Think about where you are now and where you want to be, and come up with the steps to get you from here to there.

This will vary depending on how old you are. If you're still in high school, now's the time to consider the education or training that will lead you to your dream lifestyle. If you're already in college or the working world, your path might be slightly different.

Either way, the key is to [create goals that are specific and measurable](#), not vague and hard to define. What's the difference? Here's an example:



I'll spend less money so I can save for school.



I'll save 50% of the \$500 I earn each month from my part-time job so that after a year, I'll have \$3,000 in my school fund.

These are often called [SMART goals](#), aka goals that are specific, measurable, achievable, relevant and time-bound. Choosing goals that are SMART is smart because you're more likely to achieve them.

Why does this matter? When you create a vague goal, it's hard to tell if you're getting closer, and it's easy to put off doing anything real. But when you create a specific goal, it's easier to make a plan to get there.

For instance, to reach your goal of saving \$250 per month, you might need to cut back on impulse Shein purchases or lunchtime protein shakes in favor of shopping your closet and packing food from home.

Financial Goal-Setting Worksheet

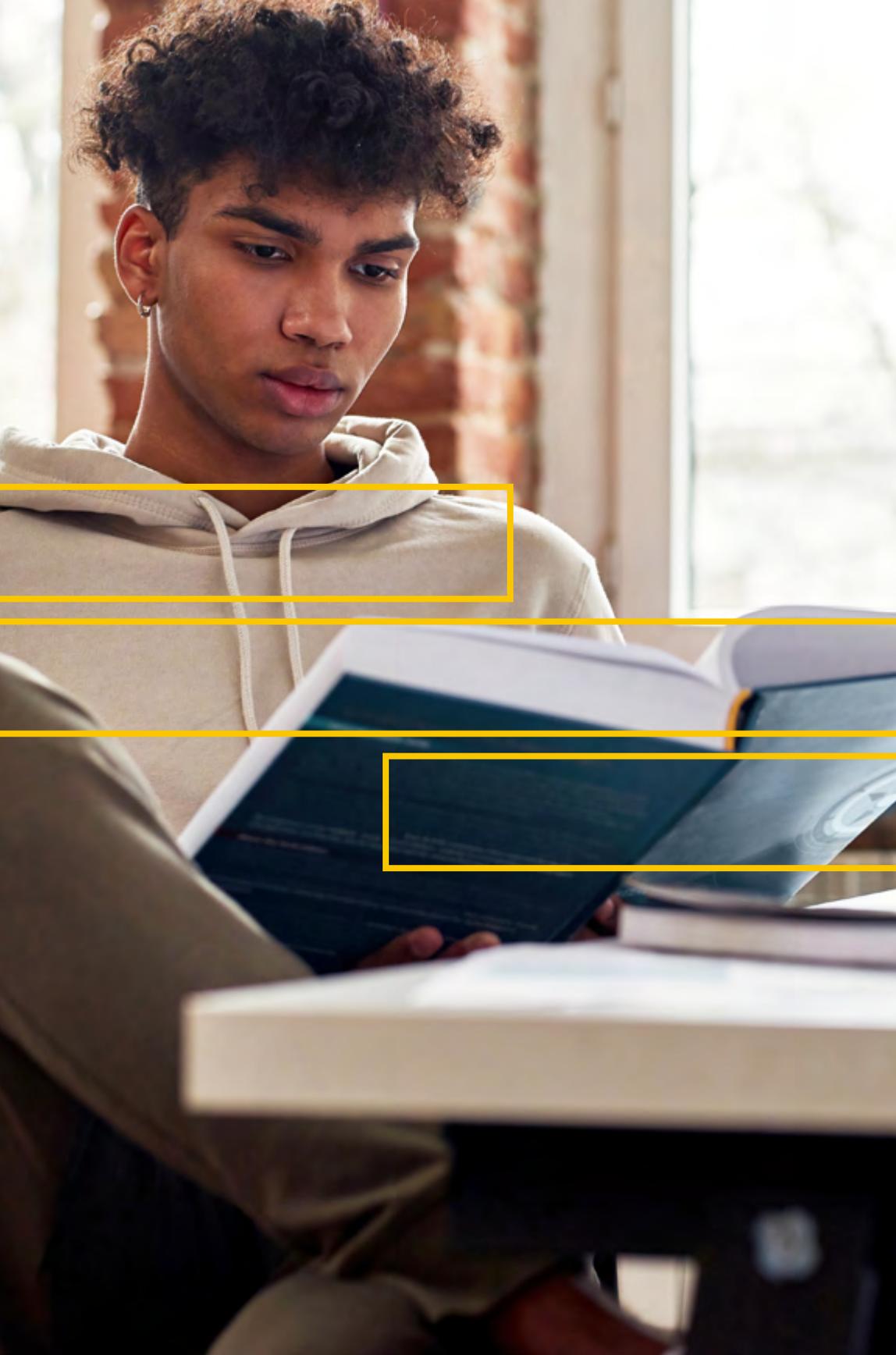
Start setting your financial goals based on the SMART system.

"SMART" stands for Specific, Measurable, Achievable, Relevant and Time-Bound.

Using these guidelines can help you make achievable goals happen within a desired time frame. Write your SMART goals below.

S	e.g., I want to save \$X for college.
M	e.g., I will save X% of my income each month to save \$X each year.
A	e.g., If I eat out only two times a week, I'll be able to meet my saving goals.
R	e.g., I will eat in more often and track my spending to manage my costs.
T	e.g., I will complete my goal by X date.

This is an example of financial literacy, and we've got plenty more savings hacks and tips on mindful spending in the following chapters. Read on!



Chapter 2:

Building a solid foundation:
Understanding financial literacy
basics

In the last chapter, you spent some time imagining what you want your future life to look like. Now, let's talk about the financial knowledge that will help you get there.

The thing is, while how much money you make can be important, it's what you do with it that really matters. Even people with large salaries may spend more than they earn—and can even end up broke or in debt. The trick is to learn how to manage your money so it can help you live the life you want, now and in the future.

The golden rule: Spend less than you earn

The first thing to remember about money is to never spend more than you earn.

As with any good rule, there are a few exceptions—for instance, you'll probably have to borrow money to buy a house or to pay for your education. And when used responsibly, credit cards can actually help boost your credit score and give you rewards ([like cash back!](#)). But in general, it's a good idea to limit how much debt you have.

Why? Well, when you borrow money, you have to pay it back—with interest. Interest rates vary, but on credit cards, you might be paying 20% (or more!) if you're carrying a balance.

That means if you spend \$1,000 extra and put it on plastic, not only will you have to pay that amount back, but you'll also be on the hook for \$16 or more in interest every month.

So if you spend more than you earn in one month, in future months you'll have less to spend because you're paying back what you borrowed, plus interest. Which can often lead to borrowing even more money.

Essentially, the thing to remember is that it's less painful to stick to a budget than to get yourself out of debt, especially credit card debt.

Did you know?

Your parent can add you to their credit card account, but you can't open your own credit card until you are at least 18.

Source: Experian [®]

Budgeting and spending 101

This is where we go back to the idea of setting specific and measurable goals.

"I'm going to spend less next month" is an example of a bad goal—it's vague and hard to quantify. "In September, I'm going to spend \$500 on food, \$150 on clothing and \$100 on entertainment" is an example of a good goal—it's specific and easy to track.

That's budgeting in a nutshell: setting specific goals of how much you're going to spend in a certain period of time and what you're going to spend it on.

There are lots of ways to create, organize and track your budget. (We talk about some of these in our article on [budgeting basics](#).) One easy-to-use guideline many people follow is the 50/30/20 rule. This means you allocate your income into three categories:

1. 50% goes to essentials: think groceries, rent and transportation.
2. 30% goes to nonessentials: things like eating out with friends and concert tickets.
3. 20% goes to savings: putting money aside for school or retirement, or to save for a [down payment on a house](#).

Your own [saving and spending plan](#) will depend on your personal goals and situation. A good place to start is with the following steps:

- Figure out how much money you make
- [Track your spending](#)
- Identify what spending is on necessities
- Subtract from your earnings the total spent on necessities
- [Create savings goals](#)
- Decide how much you want to save each budget cycle
- Start [using your budget](#), and stick to it!

Saving 101

There's you today, and there's future you. Future you is where those dreams we talked about come in, and future you will need money to make those dreams happen. The key to achieving this? Learning [how to save](#).

Saving is the tool that will unlock your ability to buy what you need when you need it and be ready for emergencies. It will set you up for college, travel, unexpected healthcare costs and retirement. With a good approach to savings, you'll also avoid having to borrow money should you end up in a tight spot financially, like if you [lose your job](#).

But what does it mean to save?

Saving is essentially putting money aside for later. You might save for something specific like a [new car](#), a new winter coat or a security deposit on an apartment. Or it could be for general needs, like an emergency or retirement fund. It's basically the next level when it comes to spending less than you earn.

If you spend 99.9% of what you make, you won't have much left for savings. The idea is to spend less than that—80%, if you're using the 50/30/20 budget rule—so you can put larger chunks of money aside. (Tip: One way many people succeed is to [automate their savings](#). Try it!)

The next question is, what do you do with the money you save? The answer depends on what you're saving for:

- **For longer-term goals** like retirement, you'll want to invest. (More on that later.)
- **For shorter-term goals**, like paying for college or backpacking through South America after graduation, it's a good idea to [put your savings somewhere that will earn you interest without any risk](#) of losing your money.

The magic of interest is a big part of what makes saving so worth it. Remember our credit card example above, where carrying a balance on your credit card meant you had to pay back not only the amount you borrowed, but also interest on that amount? Interest on a savings account is like that—but in reverse. The bank actually pays you for keeping money there.

Are you an average saver?

If you've saved \$7,000 by age 21, you're ahead of many of your peers.

Source: The Motley Fool ^d

Not only that, but the interest you earn is **compounded**. That means that every time you get an interest payment (usually once a month), it's added to the money that was already there (called the principal). Then the next month, interest is calculated on the newer, higher amount. (The specifics of when and how these things are calculated depend on the account).

How powerful is compound interest in building wealth?

Albert Einstein called compound interest the eighth wonder of the world: "He who understands it, earns it. He who doesn't, pays it."

Compound interest vs. simple interest

(assuming 7% interest, compounded annually, initial investment of \$1,000, no additional funds added)

How powerful is compound interest in building wealth?

Year	Simple interest	Compound interest
0	\$1,000	\$1,000
1	\$1,070	\$1,070
2	\$1,140	\$1,144.90
3	\$1,210	\$1,225.04
4	\$1,280	\$1,310.80
5	\$1,350	\$1,402.55
6	\$1,420	\$1,500.73
7	\$1,490	\$1,605.78
8	\$1,560	\$1,718.19
9	\$1,630	\$1,838.46
10	\$1,700	\$1,967.15
11	\$1,770	\$2,104.85
12	\$1,840	\$2,252.19
13	\$1,910	\$2,409.85
14	\$1,980	\$2,578.53
15	\$2,050	\$2,759.03
16	\$2,120	\$2,952.16
17	\$2,190	\$3,158.82
18	\$2,260	\$3,379.93
19	\$2,330	\$3,616.53
20	\$2,400	\$3,869.68

For example, let's say you have \$1,000 in your savings account, and you're earning 5% interest. (That's 5% a year—when you see interest rates quoted for things, they're almost always annual amounts.) Without compounding, at the end of the year, you would get 5% of \$1,000, or \$50, for a total balance of \$1,050. But with monthly compounding, you'd actually end up with \$1,051.16. (You can find compound interest calculators like [this one](#) online to play with different numbers yourself.)

OK, fine, you can't buy a lot with that extra \$1.16. But our example is small—just \$1,000, and just for one year. The more you save, and the longer it compounds, the more value you get from compound interest.

And the value of compounding applies to other kinds of investments too, not just savings accounts. That's why we've already mentioned retirement, even though it's still a distant goal for young people. The earlier you start saving for retirement, the less you'll have to put aside overall to reach your goal. That's the power of saving.

How compound interest affects your savings

(assuming 7% growth per year)

Because Ava started investing earlier, the power of compound interest gets her ahead of Sophia—even though Ava invested only one-third as much money.

	Amount invested	Age 25	Age 35	Age 45	Age 55	Age 65
Ava	\$5,000 per year for 10 years, from ages 25-34	\$5,000	\$68,971.71	\$135,677.79	\$266,898.75	\$525,030.25
Sophia	\$5,000 per year for 30 years, from ages 35-64	\$0	\$5,000	\$68,971.71	\$204,649.50	\$471,548.25

Investing 101

We said that saving is for shorter-term goals and investing is for longer-term ones. Why is that? Two overlapping reasons: risk and timing.

A savings account is reliable. The interest rate on it might go up and down, but your balance is usually safe.

Things you invest in, like stocks or real estate, work differently. You can often make more money from them than from a simple savings account, but that's because they're a higher risk. While you might make money from the stocks you buy, there's no guarantee of results.

There's also the question of timing. Historically, the stock market⁴ and real estate market have gone up overall.⁵ But the increase hasn't been steady. Like a roller coaster, there are ups and downs in these markets. In a perfect world, you want to sell when you can make a profit. But if you need the money in your investments for something urgent, you might have to sell when prices are low. Not ideal.

That's why for shorter-term needs and emergency funds, it's best to choose a safe, reliable place like a [high yield savings account](#) or [certificate of deposit \(CD\)](#) for your money.

But let's step back for a moment. What is investing, anyway?

One simple definition is that it's using your money to make more money in the future.

There are many types of investments, but the three most common are probably [stocks, bonds](#) and real estate. The details of how to invest are beyond what we're discussing in this book, but it's enough for now to remember that the idea is to save some of your money for longer-term goals, and to get the best return, you want to invest that money in a risk-appropriate, diversified portfolio.

Plus, it's important to know that the earlier you start investing, the better. Starting when you're young makes a huge difference, so don't procrastinate on this one.

Where does the money you save and invest come from in the first place? We'll be covering that in the next chapter.

How compound interest affects your savings

The rule of 72 shows how to estimate the number of years required to double the money you are investing and earning interest.

Just take the number 72 and divide it by the interest rate your invested money is earning.

Formula:

Years to double = $72 \div \text{annual interest rate}$

Example:

If the annual interest rate is 6%:

Years to double = $72 \div 6 = 12$

So, it would take approximately 12 years to double your investment at a 6% annual interest rate.

Popular ways to invest

The key to building future wealth is to find ways to make your money work for you. Ways to do that:

- **Stocks.** When you own a stock, you are buying a share or a claim to own part of a company. As an owner, the company may grow in value and/or pass on a portion of its profits to you (dividends).
- **Bonds.** When you buy a bond, you are buying a financial instrument that provides a loan to a business or government. Bondholders expect to get back what they loaned out (the principal) plus any agreed-upon interest.
- **Real estate.** You can invest in a property that has the possibility to appreciate in value and/or generate income from activities like renting it out.
- **Savings.** Depositing money in a bank account and using products like CDs, money market savings accounts or high yield savings accounts can generate interest that can compound over time.



Chapter 3:

How to make more money

What can Financial Independence, Retire Early (FIRE) look like?

Pete Adeney, aka Mr. Money Mustache, is a well-known personality in the FIRE movement. Originally a software engineer, he's known for saving a large portion of his income in his 20s to be able to retire at age 30.

Source: The New Yorker °

They say that money can't buy happiness, and that's true. But it can sure make life easier. And unless you're lucky enough to have a trust fund on hand, you're going to have to find a way to earn that money.

Remember the golden rule about never spending more than you earn? It's a lot easier to follow when you make a decent income.

The trick, though, is not to increase what you spend as your income grows. Many people just buy more stuff as their salaries go up: a nicer car, a better apartment, more toys. But if you live that way, you could end up just as broke as before—only with more things.

The eventual goal for many of us is [financial independence](#). That means having enough money that you don't have to work to earn more. To get there, you need a big nest egg of savings and investments. And to get that, you need an income—the best you can possibly get.

Your ability to make money depends on your skills and your career and life choices. But no matter which path you choose, there are tricks and tips to help you maximize your income and your ability to save. Here are some things to consider.

Make more money at your job

You don't have to work a traditional job. Many people start their own businesses or work freelance instead. But if you do get a job with a salary, you want to make as much as possible, right?

When people are just starting out in their careers, they're often afraid to negotiate salaries or other perks—they just want to get the job.

But early in your career is an important time to maximize your earnings. Why? Not only are raises often given as a percentage of your salary, but when you apply for new jobs, you'll set your salary expectations based on your current income. Making more money when you're younger is like having a head start in a race.

Tip: Statistics show that if you change jobs every two years, you'll end up earning a lot more than coworkers who stick to the same company.⁶ It's something to think about.

Before interviewing for jobs in your profession, research typical salaries and get advice on how to negotiate for more money. There are lots of tips on this online, or you could find a mentor who can help you practice.

Another factor is to be strategic in your choice of career and place of employment. Fair or not, some professions pay better than others—often significantly more—and even in the same field, some kinds of jobs or workplaces are more lucrative. If you're interested in medicine, for instance, you'll find that salaries vary wildly depending on the type of doctor you become.

Money might not be your primary motivator in choosing a career (remember that lifestyle matters too), but it is an important thing to consider.

A big way to boost your income? Negotiate your salary

Economist Linda Babcock of Carnegie Mellon University says those who don't negotiate their salaries leave between \$1 million and \$1.5 million on the table in lost earnings over their lifetime.

Source: NPR^f

Make more money outside your job

A job with a regular paycheck isn't the only way to earn a living. Many people create their own jobs instead, either through freelancing or [starting a business](#). If you like art, for example, you could start a career in graphic design that would allow you to earn money in a range of different ways.

Entrepreneurship isn't easy—it can be hard work and a lot of responsibility, as well as risky. But it's also rewarding and often a good way to earn money. If you like the idea of being in charge of your own destiny (or hate the idea of having a boss), it might be the right choice for you.

There's also the option of the [side hustle](#)—a part-time gig that earns you extra money to help cover expenses. This can be especially helpful if you're trying to [get out of debt](#) (like paying off student loans) or get ahead on a savings goal like a [down payment on a home](#).

A side hustle can be as simple as waiting tables a few nights a week or as creative as starting a candle-making business. One smart strategy is to make sure your side hustle is different enough from your main job so it feels like a break, rather than just extra hours.

A big way to boost your income? Negotiate your salary

53% of Gen Zers have a side hustle, as do 50% of millennials and 40% of Gen Xers.

Source: Bankrate ⁹

Get creative to save more money

Maybe you've maxed out the ways you can boost your income right now. That doesn't mean you can't tweak your budget to get out of debt or increase your savings. It just takes a little creativity.

There are lots of [tricks to save money](#), even if you're a college student and already on a tight budget.

For example, you can try attending events with free food to save on groceries, or look for free film screenings on campus or in your community rather than buying tickets for a big blockbuster.

You might also try joining your local [Buy Nothing](#) group, which will give you access to a community of people who believe in gifting and sharing items they don't need anymore. It's a fantastic place to save a few bucks here and there by snagging giveaways or asking for things you need that others might have lying around.⁷

Want more tricks? How about these:

- Sign up for loyalty/reward programs at nearby restaurants and enjoy special perks for joining, along with ongoing discounts.
- At restaurants, eat half of your huge entrée and make the other half your lunch the following day—a great way to save money and calories.
- Visit a cosmetology academy to get services like haircuts or facials for free or at greatly reduced prices.
- Road-trip to friends' hometowns for a staycation rather than an overpriced spring break destination.

The internet is a great place to find more smart money tips like these, but whose advice can you trust? We go into that in the next chapter.



Chapter 4:

Moving through the digital
world of money

Believe it or not, there was a time when most spending was done in cash, maybe with the odd IOU note here and there. But as technology has advanced, money has become more virtual.

Nowadays, only 16% of payments are made in cash, with the remainder a mix of options, including credit cards and online tools.⁸

We get a lot of our financial advice from the virtual world now, too. You might see ads on Instagram for financial management classes or tips from influencers on how to invest. But are these people really experts? And how do you know whom to trust?

Pay faster, spend more?

It's a lot less work to spend money than it used to be, thanks in large part to the convenience of paying with plastic.

While in 1970 only about half of American families had a credit card, that proportion rose to 73% by 1998.⁹ By 2023, 82% of consumers over 18 (that's individuals, not families) had one, and many people these days have several.¹⁰

What does that mean? We're more used to borrowing money on a day-to-day basis, and we have more access to easy credit.

The trouble is, whether you're paying with actual plastic or tapping your phone, when money is virtual, it feels less real. Many people find it harder to stick to a budget when they're not paying cash.

That's why it pays to develop good financial skills when you're young, and learn which [bad habits to avoid](#). A few smart tips:

- **Learn to [spend within your means](#).** Even if you don't have much money right now, you'll be creating good habits for the future (and avoiding debt, too).
- **Find a [budgeting solution you like](#).** That might be [zero-based budgeting](#) or another tool, like the 50/30/20 rule we discussed in an earlier chapter.
- **Avoid temptation.** Willpower only works for so long. If you tend to spend money impulsively in certain situations—like cruising the mall or watching videos from your favorite fashion vlogger—change your habits to limit those situations, or skip them entirely.
- **Build an [emergency fund](#).** This is essentially a bunch of money you set aside for unexpected expenses, like if you lose your job or have a sudden major medical bill.

Be careful whom you trust

There are plenty of smart people out there with useful, trustworthy financial advice. There are also a lot who don't know what they're talking about, or even might be trying to scam people.

So how do you know the difference?

One thing to keep in mind is the "too good to be true" rule. If someone is making grandiose promises, that's a red flag. After all, if it were easy to get rich day-trading, everyone would be doing it. The same goes for hot stocks and crypto buys.

An example: Have you heard of GameStop? Back in 2021, stock of this video game retailer skyrocketed from about \$20 a share on January 12 to \$347 on January 27—and then crashed back down to \$193 the next day.¹¹ (In early 2025, it hovered around \$25.¹²) A lot of people lost a lot of money jumping on this bandwagon.¹³

The truth is, financial stuff is a lot like staying healthy. "Spend less than you earn and save for the future" is similar to "Eat your vegetables and get regular exercise." A bit boring, but true. And that secret "get rich quick" stock tip is as likely to work as a magical belt that gives you a six-pack with no effort required.

When you see financial tips online and on social, check out who's giving them. What is their expertise? Do they chat about finances in general, or are they just shilling one specific thing? (That's a red flag, too.) Do they have a financial education? Are they getting paid to promote something, or is their advice independent?

If someone isn't clear and open about their motives and background, you should question why. What do they have to hide?

Kim Kardashian, for instance, promoted one particular cryptocurrency on her Instagram in 2021 and didn't bother telling people they'd paid her \$250,000 for the shout-out. She ended up having to pay a ginormous fine for lack of disclosure.¹⁴

That said, it can be really helpful to have a group of people you can trust for financial advice. Learning all of this is a lot.

So how do you find your dream team? We cover that in the next chapter.

When considering financial influencer content:

- **Keep in mind that many are not fiduciaries, nor YOUR advisor.**

When consuming this content, view it through the lens of education, not advice.

- **Look for credentials.** Just because a person has a lot of followers doesn't mean they're experts.

- **Watch for clickbait!** Don't confuse trusted financial information with entertainment or showmanship designed to attract viewers.

- **Look for what's not being said.** It's possible an influencer is downplaying or not mentioning risks, or promoting sponsorships related to their content. CFA Institute found that only 20% of the finfluencer content that contained investment recommendations included any form of disclosure outlining risks.

Source: CFA Institute ^h



Chapter 5:

How to keep finding the right financial advice

Financial advice isn't a one-and-done deal. You'll need it your whole life, as your situation changes and the world changes, too. So it's worth putting in some time to find sources you trust and can relate to.

We like to call this your "dream team": a group of financial experts and sources you rely on to keep you up to date on what's new and help you build your financial skills. This team isn't static—it'll change over time. But there's no better time to start creating your team than now.

Paid vs. free

You know that saying, "There's no such thing as a free lunch"? There's also no such thing as free financial advice. Everyone has a reason to do what they do. And if you follow the money, you'll uncover any biases a person or organization has.

For instance, an investment advisor who works for a big bank earns a salary from that bank. They probably have performance goals at work that include selling certain things. And if a person's income depends on selling a specific investment product, there's a good chance they'll recommend it to you. That doesn't mean they aren't smart and don't offer good financial advice. But as a customer, it's important to remember people's biases and keep them in mind when you're making decisions.

This is why many experts recommend working with a fee-based financial advisor. If you pay someone for their advice—and they're not earning any bonuses or commissions based on what they suggest you do—then their recommendations are a lot more likely to have your best interests at heart.

The trouble is, when you're young, you might not be able to afford a fee-based advisor. (Though some do work on a sliding scale where you pay less if you have less money, so it's not a bad idea to check some out.) Don't worry—there are lots of other options.

Why the term “fiduciary” can matter when picking a financial advisor

When it comes to financial advice, a “fiduciary” describes a financial professional who is legally obligated to act in the best interest of their client. A nonfiduciary advisor or broker only has to provide “suitable” advice or products, which, in some cases, allows the choice to greatly benefit the advisor.

Where to find advice

When it comes to negotiating salaries and finding well-paying jobs, try to find a mentor or professional in your field who can offer guidance.

Don't know anyone? Ask around—you might be surprised who's connected with whom. Or do some research, find someone whose career you admire and aspire to, and send them a nice email requesting an informational interview. Many successful people have had help along the way and are happy to pay it forward with a 20-minute Zoom call.

As for actually managing your finances, there are many companies and organizations working to help people build financial literacy. For example:

- [Operation HOPE](#) has a mission to expand economic opportunity for all Americans. They offer free programming, including workshops and coaching, to help people learn more about their finances.
- Online educator [Khan Academy](#) offers free personal finance courses covering topics like interest and debt, car expenses and paying for college.
- Synchrony Bank (that's us!) publishes [free articles on money management](#) as part of our financial literacy mission to help you learn more about spending, saving, borrowing and investing.

Ask questions and find a community

If there's one thing that will help you get more knowledgeable about personal finances, it's asking questions. Don't just blindly trust what people tell you. Ask about the how and the why. Learn the reasons behind the rules.

One great place to do this is in online communities. One of the biggest and best known is on Reddit, at [r/personalfinance](#). It might be overwhelming at first, but you'll find endless discussions on a wide range of topics. Even if you just lurk, you're sure to learn something, but you might want to ask questions based on your personal financial situation, too.

No matter where you go for financial know-how, remember that the goal is for you to be in control of your financial situation. Advice is meant to be guidance, not a command. By learning the basics of personal finance and expanding your knowledge as you go, you'll soon be feeling confident about how to manage your money.



Conclusion

Wow. Was that a lot? It sure feels like we covered a lot of ground. But don't worry if you're a bit overwhelmed. Like any subject you've studied, it gets easier as you go. (You have to learn to add and subtract before you move on to trigonometry, right?)

We hope this ebook has helped you understand the basics of personal finances, from how to spend and save to where to find advice.

Most important, we hope it's piqued your interest in the subject. Some people believe money management is a boring topic, but we think it's actually fascinating and fun and worth spending time to get good at. Because seriously—how awesome is it to be in charge of your own destiny?

Pass this book on to your friends, and make sure to visit [our blog](#) from time to time. We'll be here when you need us.

Resources

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About the Author

Kat Tancock is an award-winning writer, editor, translator and content strategist based in British Columbia. She is co-founder and co-editor of nature-focused Rewilding Magazine as well as Workshop, a small business magazine for makers and creators in Canada.

Kat's work history includes editorial jobs at Reader's Digest, Food & Drink and Canadian Living; she has also taught Russian at the University of Toronto and managed a computer lab at the University of Victoria. She co-founded Toronto content marketing agency Tavanberg, which has strategized and created content for brands including American Express and United Way, and has written on travel, food, business, health and environmental topics for publications including Chatelaine, The Globe and Mail, Canadian Business, MoneySense and the San Francisco Chronicle.

Finfluencers. Side hustles. Here's a modern guide to living a great financial life.

Inside we help you navigate how to save, budget and also plan well for today's economic climate. You'll find guidance on key issues like investing, inflation and how to get creative. We've got tips to set you up for financial success so you can save even more.

Finances? You've got this!

Some highlights:

- Dream big, plan big!
- Create SMART goals
- Long-term vs. short-term goals
- The 50/30/20 rule
- Investing 101