



# Sage Advice

*Dear Dr. Per Cap:*

*I just graduated high school and will turn eighteen in a few weeks. What's your advice for a young person who wants to get ahead financially?*

*Signed, Looking Ahead*

Dear Looking Ahead

Congratulations on your high school diploma!

What I'm going to tell is just as true when I graduated high school back in the eighties as it is today. And it's about more than just managing your money wisely.

Over the years I've had the privilege of working with a lot of folks, Native and non-Native alike, who were struggling financially – poor credit, difficulty keeping up with bills, minimal savings, etc. And I can say that there is almost always at least one of three missteps or pitfalls early in life at the root of their financial challenges.

The first is an unplanned pregnancy at an early age – female or male it doesn't matter. When a young person who hasn't yet established a career or livelihood becomes a parent it's very difficult to get ahead financially. The enormous cost of caring for a child as well as the emotional toll of parenting cannot be overstated. I'm not saying it's impossible to be a good young parent while building a strong financial foundation but it's really rare. So take precautions like my uncle used to tell me every time he handed me the keys to his Silverado for a night out. Yeah, you know what that means.

The next misstep is getting hooked on drugs or alcohol. This is another huge tax on a young life that can take years to overcome if ever. It seems like money problems and a chemical dependency habit go hand in hand. In large part because a party lifestyle is a breeding ground for bad habits that will crash a bank account quicker than an brush fire with a tail wind.

Last is heavy debt. Car loans, credit cards, student loans - even if the borrowed money is going toward a good cause like a person's education. It's just too easy to get wrapped up in a vicious cycle of debt. And I know so many people in their thirties and forties who are still paying for junk they bought on credit in their early twenties.

Avoiding these three pitfalls will put you so far ahead in the game of life. I realize for many people this might be much easier said than done but I won't sugar coat a dose of tough love. Personal responsibility is the first and perhaps most important step toward building a healthy financial future. See you in the short line!

***Ask Dr. Per Cap*** is a program funded by First Nations Development Institute with assistance from the FINRA Investor Education Foundation. For more information, visit [www.firstnations.org](http://www.firstnations.org). To send a question to Dr. Per Cap, email [askdrpercap@firstnations.org](mailto:askdrpercap@firstnations.org).