

{14-18 YEARS}

Money, Money, Money

Teaching your teen to be financially responsible

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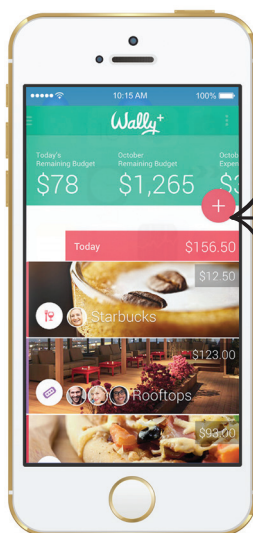
As your teen gets closer and closer to leaving the nest, it is important that he have a firm grasp on finances. However, teaching your teen financial responsibility is much easier said than done!

According to Piper Jaffray's Fall 2017 "Taking Stock with Teens" report, teens spend the most money on food, followed closely by clothing, and parent contribution to what teens spend is at 67 percent. With all this spending, your teen should understand how to develop a budget for himself, whether his money comes from a weekly allowance or his own part-time job.

First, be sure to teach your teen the importance of saving for the future. Encourage him to put at least 10 percent of his allowance or paycheck straight into the bank so that he can start building up his savings account before he is out living on his own. According to a survey from TD Ameritrade, nine in 10 young adults overspend, fall short on savings or take on additional debt every month. Teaching good savings habits early on will make it all the more easy for your teen to avoid this trend when he leaves the house.

As you teach him how to budget, consider making your teen responsible for everyday purchases that go beyond necessity, such as dinner out with his friends, a trip to the movies, extra snacks, etc. As he begins to use his own money for his expenses, he will definitely start to understand that money does not grow on trees, if he did not already! Then, when he wants to make big purchases, like a video game console or designer clothes, you can teach him how to start setting money aside (not the money that is going into savings!) to save up toward his goal purchase, teaching him that he may have to skip out on a trip to the movies if he really wants that video game console.

Although teaching your teen all about finances may be a tall order, as long as your teen leaves your house knowing something about budgeting and saving, you have done your job!



There's an App for That!

If you find yourself having trouble teaching your teen about budgeting, consider downloading a budgeting app for him. There are many to choose from, including both free and paid options, but these are our favorites!

- 1 **Mint:** This all-in-one resource center allows your teen to create a budget, track his spending and get smart about his money. Based on his spending habits, Mint will offer him tips to make sure he does not go over his budget for the month.
- 2 **You Need a Budget (YNAB):** This app will prevent your teen from creating a budget based on money he does not have. So if he is getting \$100 a month in allowance or making minimum wage at his job, his budget will max out at that amount.
- 3 **Wally:** Your teen can take pictures of his receipts to log all of his expenses. The app also uses location services to help him determine where and how much he spent.
- 4 **Unsplurge:** Help motivate your teen to save by having him use this app to set a goal product that he wants to save up for. He will log and track his spending within the app to help him figure out how much he needs to save to be able to make his goal purchase.