



Money Management For Teens

A recent survey by Charles Schwab asked teens about their perspective on money and the importance of properly managing it. Here are some of the results:

93% of teens said their family was affected by the recession.

75% said learning more about money management is a top priority for them.

59% think that they will do better financially than their parents.



Even more interestingly, 77% considered themselves financially savvy, yet only 31% reported knowing how credit card interest and fees work -- or even what a credit score is.' In summary, while money management is important to them, most teens are still entering life after high school without the knowledge necessary to properly manage their finances.

Getting Started

Opening a checking account can provide vital hands-on money management experience, yet many of our youth have never set foot in a financial institution. With parental consent, helping your mentee shop around for a bank with no fees, easy online access, and educational tools could have a big payoff. Also, several banks have checking accounts designed specifically for teens. These accounts typically give parents full access to accounts, much like a joint account. As adults you know that checking accounts help individuals monitor, track, and record spending--but it takes time to use these services efficiently. Teaching your youth from personal life experiences with banking and money management will be extremely beneficial!

(Read more: <http://www.bankrate.com/finance/savings/5-tips-for-opening-a-teen-checking-account-1.aspx#ixzz32vZ9tafA>)

****Young Americans Bank in Denver** is the only bank in the entire world specifically designed for young people ages 21 and younger. Consider taking your youth in to set up an account! <http://yacenter.org/young-americans-bank/>

Simple Money Management Tips for Mentees

1. Save! Encourage your mentee to save, no matter how small. A teen named Max says, "Teenagers may not have a regular paycheck, but they do receive money from gifts and odd jobs. They need to always save some of that money every time they get some." Whether it's a little or a lot, putting money in a fee-free savings account or another low-risk investment account is a smart way to grow money.

2. Use caution with credit cards! Some people use credit cards to borrow money to pay for things. Usually, they do this when they don't have enough money saved to buy the item, but yet they want it right now. Be careful! If the money owed isn't paid back quickly, the credit card company will charge interest. With highest interest rates, the money owed can pile up rapidly. The sooner that people pay off the money they borrowed, the less "extra" money they owe. Wise money managers pay that money back as soon as they can, or even choose to wait until they've saved up enough money to buy the items they want.

3. Budget! Advise your mentees to become more aware of how much they spend and on what. Only through tracking expenses and budgeting will one fully be able to understand where money is going. And the only way to figure out how to save more is to see exactly where the money goes.

(Information from <http://www.dailyfinance.com/>: Financial Advice For Teens)

Buy it or Not?

We live in a world where the pressure to spend money is constant. Advertisers study buyers and buying habits all the time. So these people have got some pretty clever ways to convince teens that they must have something. Advertisers don't want teens to think about what they're doing. They want them to buy right now !

How do you avoid buying impulsively? Ask yourself these questions:

- Do I really need this item?
- If I don't need it, why do I really want it?
- If I buy it now, will I have enough money for other things I might need later on – this week, this month, next month?
- Is there any risk in delaying this purchase in order to think about it longer?
- Could I find this item somewhere else cheaper?
- Could I find an item like this, but without a brand name? It will probably cost less.

(Information from <http://www.themint.org/> : Buy it or Not)

Thank you for all that you do to better the lives of youth! We appreciate you!

Note from Match Coordinators: The above topics are simply suggestions. We would love to hear about any fun and/or meaningful experiences you have with your youth to pass along to other mentors. As always, we are here to support you as you build your mentoring relationship. Please do not hesitate to contact us at 303.756.9285 if you have specific questions or just need additional ideas along the way.