

Money Talks



To Teens
and their families

Brought to you by your local bank and the ABA Education Foundation

Quick Tips to Help Your Teen Save Money!



Consider borrowing a formal dress or suit for the school dance from an older sibling or a friend. Alter it if necessary.



Open an Individual Retirement Account, long-term Certificate of Deposit, or college savings account for your teen to help savings grow.



Have your teen carry just enough money to cover the expenses of an evening out with friends. Having excess money along may be temptation to spend it all.



Challenge your teen's friends or siblings to see who can go a whole week without spending more than \$5.

Check On It ... Teens and Money



Helping your teen find his or her first job is important — you want to make sure she still will have time for her studies, sports and friends. As a parent or guardian, you also want to make sure your teen's paychecks are safe.

The teenage years often are the time to open up a first checking account at a bank, with a parent or guardian as a custodian of the account. It's important for the teen in your life to know how the check register works, how to use an ATM or debit card, and the proper way to write a check.

Help your teen learn how to fill out her check register completely. Explain that a debit card works like an automatic withdrawal of funds from the checking account, even though it appears to work like a credit card.

Instruct your teen in good checkbook-balancing habits — make sure she writes down ALL transactions, including debit card purchases, ATM withdrawals and any automatic bill payments. Encourage your teen to balance her checkbook at least once a month.

Once she receives her first statement, take her through the process of balancing her check register manually. Suggest keeping bank statements in a 3-ring binder or other filing system. If the bank offers online banking, go over the advantages of monitoring account balances more frequently and keeping an eye out for unauthorized purchases.

Keeping accurate and organized records will help your teen prepare for the future, when she has more income coming in and more expenses going out of her account.

CHECK NUMBER	DATE	CHECK ISSUED TO	BALANCE FORWARD
101	6/1	TO Emma's Bookstore FOR School supplies	100 00 - 23 46 BALANCE 76 54
DEP	6/9	TO paycheck	AMOUNT OF CHECK OR DEPOSIT + 150 00 BALANCE 226 54
ATM	6/10	TO withdrawal FOR cash	AMOUNT OF CHECK OR DEPOSIT - 40 00 BALANCE 186 54
102	6/13	TO The Boutique FOR clothes	AMOUNT OF CHECK OR DEPOSIT - 36 89 BALANCE 149 65
ATM	6/13	TO Convenience store FOR debit card - gas	BALANCE - 48 50 AMOUNT OF CHECK OR DEPOSIT 101 15
ATM	6/16	TO Movie theater FOR debit card	BALANCE - 19 00 AMOUNT OF CHECK OR DEPOSIT 82 15
DEP	6/16	TO birthday money	BALANCE + 100 00 AMOUNT OF CHECK OR DEPOSIT 182 15

You'd Better Shop Around

Some teens just don't realize the high cost of everyday purchases. They'll ask for a special item and expect it to be given to them without discussion. The latest styles in clothes and shoes, entertainment and other extraneous items can add up, but so can the things we need, such as food and gasoline.



Ask your teen to go to the grocery store with you and make him responsible for the purchase of ingredients for his favorite dinner. Make a list and bring a calculator. Give your teen a specific amount of money to spend on the ingredients. (You might have to prepare for this lesson by shopping the bargains and figuring out the lowest amount possible.)

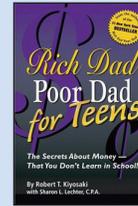
Encourage your teen to look for weekly specials, coupons and store brands to help cut costs. You can even offer motivation for

this activity, by letting him keep the change or allowing him to invite a friend over for the meal.

If he's able to complete the task, you know you have a teenager who's either up for a challenge, or who understands the hard work it takes to feed a family on a budget. Consider sharing your budget, including how much is allotted to grocery shopping, with him. If you don't have a budget, this activity is a great way to kick-start the habit. Visit www.aba.com and click on "Consumer Connection" for more information on budgeting.

Check Out These Books!

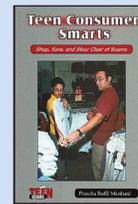
Visit your local library or bookstore ...



Rich Dad, Poor Dad for Teens

By Robert T. Kiyosaki, Sharon L. Lechter

The authors teach teens "financial intelligence," rules and methods for creating more money, how cash flows, and managing assets wisely.



Teen Consumer Smarts: Shop, Save and Steer Clear of Scams

By Francha Roffe Menhard

This book clearly demonstrates why teenagers should learn about handling money and then gives them practical advice and examples of smart shopping.

Click Your Mouse Here



www.sba.gov/teens (Sponsored by the U.S. Small Business Administration)

This Web site is directed to teens who want to turn a hobby into a small business. It offers helpful tips and checklists, practical advice, and case studies of successful young entrepreneurs. Soon your teen's dog-walking **job** will turn into a dog-walking **business** that helps pay for a car, college, or something special.

www.familyeducation.com (Sponsored by Family Education Network)

From a great Web site for parents with children of all ages, the section for kids aged 12 – 18 deals with many issues, including the topic of teens and money from the parent's perspective. Find out if your teen is ready for a job, learn more about paying for college and get tips on bringing up a discussion on money.



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