



# Teens & Money Best Practices

Takeaways from podcast with  
Chris Van Stavern, Brave Parent & Financial Advisor

## Benefits of teenagers working:

- **Producing before consuming:** Teens work to earn something wanted or needed instead of it being handed to them. Consuming and selfishness come naturally so parents can teach their children to be producers: effective contributors to the community.
- **Learning money handling** through having a bank account, savings, debit card, and responsible spending/budgeting.
- **Job Interview skills** – the more practice they have now prepares them for more critical interviews in the future.

## Saving & Spending

- Teach teens how to budget money right from the start.
- Require savings
- Four categories:
  - Tithing (10%)
  - Saving (10%)
  - Responsibilities
  - Discretionary/Fun
- Regularly review transactions, successes and ways to improve
- Consider a set "emergency fund" amount in savings before discretionary money can be spent.

## Spending Their Money

- Grant them as much autonomy as possible for spending their discretionary money.
- Guide and lead them healthy spending choices. Have a conversation in advance how much is a reasonable amount to spend inside video games, on the nail salon, etc.
- Monitor their transactions periodically to ensure they are not spending beyond their means or inappropriately.

## **College Prep**

- Research costs and set expectations for teen's involvement in financial cost (will they pay for books? Housing? Food costs? Where will their discretionary money come from?)
- Impart the benefit of 2 year/ community college beginning
- Save for college using a 529 plan where anyone can contribute on behalf of the teen with after tax dollars
- Academic achievement for scholarships/ applications for grants

## **Common Pitfalls of Young Adults (we can help them avoid)**

- Living beyond their means; help set realistic expectations for teens by living within your own means
- Becoming more transparent as they mature and near adulthood regarding your own income/ expenses/ budget.
- Caution against credit cards (companies savagely seek out college students)
- Encourage minimum balances at all times to avoid overdrawn accounts and the associated fees.
- Teach them how to cook so they aren't eating out every meal.

For a free financial planning consultation contact:

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