

Encouraging Money Skills with Adolescents

Learning to manage money is a fundamental task of life. From an early age, children begin to learn about the financial world from parents, peers and advertisers.

Because they now may have income through employment, allowances and other sources, teens are already making financial choices and developing habits that may stay with them into adulthood.

During early adolescence, decisions related to purchases are often influenced by peers and advertising. Manufacturers spend a great deal of money to advertise brand-name products to kids in the adolescent age group. When a group of youth has a certain brand-name item, others want the same. For youth in their early teens, it is often the fear of being different from other teens that drives them to place importance on wearing or having the "best" items.

As youth progress through adolescence, they think more about saving for college and future employment. Their future goals influence decisions about saving or spending. Their amount of discretionary money - meaning they can spend it as they choose - also affects spending patterns.

Some teens become accustomed to spending their earned money on unnecessary wants or luxury items. Problems then may rise in early adulthood when they cannot afford to continue this level of living. It may be tough for teens that are used to having brand-name clothing or the best electronics to manage necessary expenses on a starting salary - unless they are willing to adjust their standards, for example, by purchasing generic clothing.

The family is and has been the primary environment for learning about money. While societal influences are strong, Walker's research at Kansas State University shows that this still holds true.

Children learn both the facts and the emotional side of finances from their families. Through their own habits, parents demonstrate financial behavior to their children. Parents also convey their attitudes and beliefs about money through discussion or lack of discussion about finances.

Work with your children to develop money management skills. For more information on providing learning experiences for children of all ages view NebGuide G1787, [Teaching Your Children about Money](#), or request a printed copy from your University of Nebraska–Lincoln Extension office.

References:

Manning, L. M., Mahar, C. J., Prochaska-Cue, K. M., (2007). Money Wise Children Learning by Doing. *NebGuide*. University of Nebraska–Lincoln Extension Publication G1788.

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Walker, D. (1993) *Money Wise: Helping Children to Manage Money*. C-731, Kansas State University Cooperative Extension Service.

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