

Building Your Teen's Money Skills

As parents, you play a key role in shaping your children's values and attitudes about money management. At a time when student financial literacy is declining, the parents' role in teaching children about money is especially important. From a parent's perspective, it's just a few short years from lemonade stands to college credit card come-ons. But these transitional years are a perfect time to help your children build sound money management skills.

Very few young people want to be dependent on their parents as adults. Even fewer want to find themselves deep in debt, but there are many pressures in today's society that cause people to get into financial trouble.

A strong role model can begin to counteract teen peer pressure.

- Talk to your kids about money on an adult level.
- Introduce them to the concept of providing for their basic needs (food, clothing, shelter, education and transportation) and setting priorities on what they want to buy.
- Explain that life is about realistic choices. A Porsche is cool, but a dependable used car will get you to school and work just fine, even if your friends tease you about driving a "junker."

If your neighbor gets a new car, do you want one, too? Such behavior used to be called "Keeping up with the Joneses." Sometimes kids want to buy things because of peer pressure, sometimes out of boredom, sometimes just to see if they'll get their way. The phrase "affluenza" is often used to denote these kinds of money problems.

Some of these can include:

- overspending,
- misuse of credit,
- falling into debt.

Unfortunately, affluenza can be contagious – your children learn from you. If you're a shopaholic, chances are good your kids will be too. Help your kids understand that there is more to life than trips to the mall.

Look at your own habits and ask yourself if your actions are sending the wrong messages.

Reference: (2007). Consumer Action. *Talking To Teens About Money*. Retrieved November 19, 2008, from http://www.consumer-action.org/modules/articles/talking_to_teens_about_money_en_2007