

A man in a blue polo shirt and a woman in a light pink hoodie are standing in a kitchen, looking at a document together. The man is on the left, and the woman is on the right. They are both smiling and appear to be engaged in a conversation. The background shows kitchen cabinets and a vase of orange tulips on the counter.

# Raising Financially Aware Teens

*Money is a parental concern, and even young children can understand basic concepts, but we still have a disconnect in putting this together.*

**84% of teens report looking to their parents** for information on how to manage money, but **34% of parents** say their family's approach to financial matters is to **not discuss finances** with their children and "let kids be kids."



It's a good lesson to have our kids understand our thought process as we choose how much to spend based on what we value.



# Teach them “Opportunity Cost”

WHAT'S YOUR  
OPPORTUNITY COST?

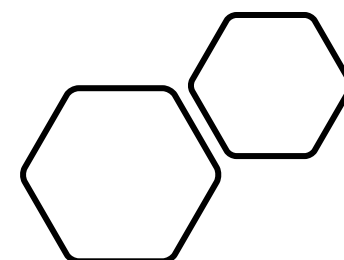


### Top Clothing Brands

Nike	23%
American Eagle	10%
adidas	6%
Forever 21	5%
Urban Outfitters	5%

### Top Handbag Brands

Michael Kors	28%
Kate Spade	17%
Coach	14%
Gucci	9%
Louis Vuitton	7%



### Top Footwear Brands

Nike	42%
Vans	16%
adidas	14%
Converse	4%
DSW	3%

### Top Shopping Websites

Amazon	44%
Nike	6%
American Eagle	4%
Urban Outfitters	3%
Forever 21	3%

**The opportunity cost of saving is always spending, and kids must**

**become comfortable with the idea of giving up immediate gratification in exchange for future rewards before they will embrace it.**

**Kids, by nature, do not have any inherent values when it comes to money.**

**They develop attitudes about spending and saving by observing the world around them, and those observations start at home.**

**Kids need to know that money is for exchanging.**





84% of all college undergraduates indicated they needed more education on financial management topics. In fact, 64% would have liked to receive the information in high school and 40% would have liked to receive it as a college freshman.

# Teen Savings

- Getting kids excited about spending money is seldom a problem; however, getting kids to value saving money is. (as it is with Adults)
  - We're a product of the way we are wired
    - poor savings habits are
    - Living beyond our means, or there are not enough resources to take care of emergency expenses or to fund retirement.
- Instill proper habits at a very early age!





Teens can make meaningful strides toward their retirement goals even at an early age. If your child has earned income, they can contribute to a Roth IRA even before they turn 18.

---

Let's assume from age 10 to 18 your kid earned \$2,000 every year from their work, e.g., mowing lawns, babysitting, part-time work, etc.

---

What would happen if they invested those funds into a Roth IRA every year (earning 8%) and never invested another cent into the account after they turned 18?

---

### **Roth IRA Account Balance at Various Ages**

18	30	40	50	65
\$24,975	\$67,923	\$146,640	\$316,586	\$1,004,264

DO NOT SAVE WHAT IS  
LEFT AFTER SPENDING,  
BUT SPEND WHAT IS LEFT  
AFTER SAVING.

Warren Buffett



The main take away from our talk today, if nothing else is how important it is to talk to your children about money. It can have a profound impact on them and influence their decisions.