



Teens and Money

There is no right or wrong way to provide children and teens with money. Each family's financial situation is different, which means money decisions will be different. In addition, how money was handled in your family when you were young will affect how you teach your children.

You play an important role. You can increase their knowledge of personal finances and help them learn life skills.

This message refers to three aspects of money - allowances, earnings and spending decisions.

Allowances

To build money management skills, children and teens need money to manage. Having a regular allowance helps them take responsibility for spending decisions and encourages independence. Instead of getting money on demand" they learn to plan ahead and make choices.

When setting the amount, agree on what the allowance will cover. For example, a student might be expected to use allowance money to pay for school lunches, school activities, haircuts, minor clothing purchases and entertainment. As their parent, you will want to set the amount based on what you believe your youngster can manage. If you give an allowance, be consistent.

Earned Income

Outside employment may include lawn mowing, baby-sitting, or service jobs such as sales or restaurant work. When talking with your teen about employment, also discuss the downside. For instance studies have found that teens who work more than 20 hours a week may experience negative effects with family and school. Also, more than 100,000 young people go to hospital emergency rooms from work injuries every year. Regularly monitor their hours, the safety of their workplace and their school grades.

Spending

As your child gets older, resist the temptation to tell him or her how to spend their money. Instead, provide opportunities for them to make choices and allow them to learn from the experience. Ask them to make a spending plan. Next, help them identify longer-term goals like a new computer or money for college.

For more information, contact your University of Minnesota Extension office.

Source: *Positive Parenting of Teens*, University of Minnesota Extension Service

For more information on parenting call INFO-U at 612-624-2200 and request a catalog of available topics.

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