



BACK-TO-SCHOOL

BOSTON PRIVATE

WEALTH ▫ TRUST ▫ PRIVATE BANKING

BUDGETING,
SAVING, &
SPENDING

FINANCIALLY-SAVVY TEENS AGE 12-17

SOME QUESTIONS TO HELP GET THE CONVERSATION STARTED:

1. "If you could have any summer job you wanted, what would it be, and would you earn enough to fund activities and savings?"
2. "You can either go on a vacation to France or buy a car. Which one would you choose and why?"
3. "If I borrow the money to pay for it, how much should I borrow, and how long will it take to pay it back? Is it worth it?"

FINANCIAL TOPICS TO KNOW:

- Budgeting and saving** – By middle school, kids should have an allowance or household jobs to earn spending money. They should be able to put together a plan to spend some of it and save the rest.
- Earning money** – Whether their income is from babysitting, mowing lawns, or scooping ice cream, teens should know what to expect when they start earning money, including understanding the taxes that get taken out of those paychecks.
- Using banking services** – Teens can start using debit and stored value cards that eliminate the need to carry cash. They will also quickly become savvy about online and peer-to-peer payments.
- Investing in the future** – Teens will start to think about finding ways to pay for college or graduate school, including investments for the future or weighing financial aid offers.

ACTIVITIES TO HELP TEACH:

- Ask your child to assess whether a store discount on a pair of jeans is a good deal and explain the reasoning.
- Ask your child if earning the minimum wage would give them enough money to cover their expenses. If not, how much money would they need to earn? Have them develop a spreadsheet to track expenses and earnings.
- Ask your child to pick a stock based on a company they like and explain why that would be a good stock to own. Track the stock over time to see how it does.
- Give your child a set amount of money to donate, but first, ask them to research projects and argue why the one they pick is a worthy cause.

ACTIONS TO REINFORCE FINANCIAL FOCUS:

- Establish a checking account linked to a debit card or app.
- Create a plan to save or invest in something big.
- Establish a family "investment club".
- Introduce child(ren) to your family financial advisor.

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