

POINTERS FOR PARENTS

Tuning Teens In To Smart Money Management

(NAPSA)—Many parents may realize that they're singing the wrong tune when it comes to racking up credit card debt, but they may not be aware that their rock-star level of spending is teaching bad money management skills to their teens.

Parents are teens' most influential money role models, according to a recent survey—High School Confidential: An Inside Look at Teens and Money—by financial services company USAA. The research also found that teens are learning by watching their parents spend, not by listening to lectures. That may make some parents want to hit rewind on their spending habits.

"Nearly half of the parents surveyed confessed that their money management habits range from 'OK' to 'horrible,'" notes USAA Certified Financial Planner Joseph Montanaro. "Parents may be unknowingly raising a new generation of big spenders."

There's still hope that your teen can turn into a money management virtuoso. A solid 79 percent of the teens surveyed said they wished they knew more about how to manage money. Montanaro offers these four suggestions for how parents can set a good example and tune their teen in to some valuable money lessons:

Lower The Volume On Spending

Make sure teens see how a little discipline and planning can put spending in check to avoid creating long-lasting debt. With more than 40 percent of parents surveyed admitting that they



Research has shown that parents are a teen's most influential role model when it comes to how to manage money.

don't have a household budget, many teens may be learning that they can improvise when it comes to managing money. "The act of putting together a budget—and then working as a family to follow it—introduces your teen to the concept that money has to be actively managed and spent in the right places to avoid going into debt," says Montanaro.

Hit Play On "Real" Money

With ATM cards, debit cards and credit cards providing "invisible money," some teens may think that you don't really have to "pay" for what you buy with these financial tools. Start using cash for shopping trips, so teens can see that money does run out. Also, don't be afraid to get out the credit card bill and outline how payments, interest and expenses add up to the number on the bottom line. Show your teen how interest can build up when credit cards are used irresponsibly and the balance isn't paid in full.

Make Your Own Music

While it may sound like a cliché to say that hard work is its own reward, almost half of teens don't work for their "fun money," according to the USAA survey. "Many teens may be missing out on the real value of the dollars they're spending, because they aren't making a connection with the effort that was put in to make that money," says Montanaro. Encourage your teens to get their own jobs, even if it's mowing neighborhood lawns for extra money, so they can see their hard work turn into cold cash.

Getting To The Top Of The Charts

By learning to manage money today, teens can become money management stars as adults. "There's no better way to teach teens to be accountable for their spending than by having them manage their money," Montanaro says. "Set up joint savings and checking accounts or consider using a prepaid card to help them learn to budget." When teens can see their prepaid card run out of money, they'll better understand the value of keeping an eye on their spending.

Teaching teens about good money management doesn't have to be harder than getting them to listen to your old records. Remember, the gift of being financially savvy is something your teen will appreciate far into the future. Visit www.usaa.com for more information about teaching how to develop good money management skills.