

Money Talks

To Tweens
and their families

Brought to you by your local bank and the ABA Education Foundation

Quick Tips to Help Your Tween Save Money!



1 Write down your savings goals and keep them in a place where you can see them.

2 Put your savings in a separate place, either a savings account with a bank or a special box.

3 Save money by bringing your lunch to school.

4 Put your spare change in a jar at the end of the day.

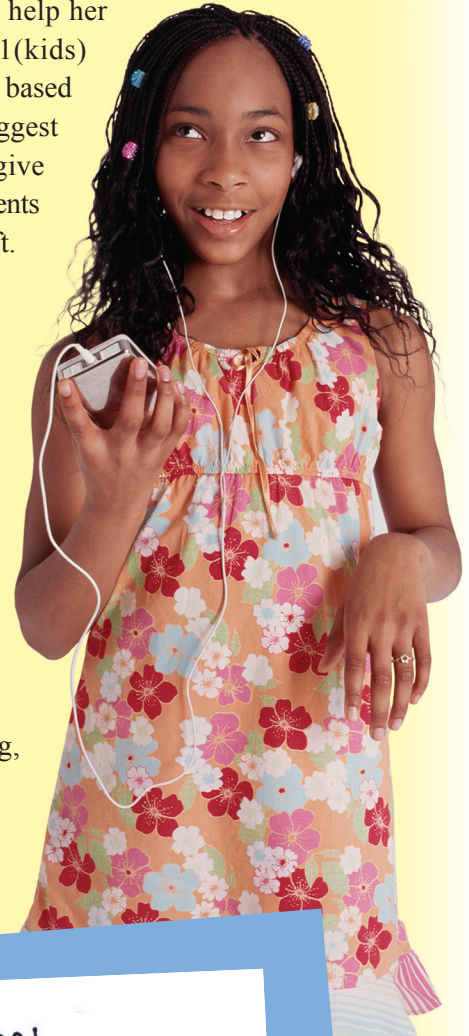


Saving for Something Special?

Is your tween saving up for an MP3 player or a new video game, and weekly allowance isn't enough? Perhaps you can help her without giving her the entire amount. Try starting a 401(kids) program. You may be familiar with the concept, the idea is based on a 401(k) matching plan that many employers offer. Suggest matching 50 cents for every dollar your tween saves, or give her a sliding scale. If your budget allows, maybe match 50 cents or \$1 for every dollar your tween earns or receives as a gift.

For example, if your tween earns \$20 a month in allowance, match it with \$10. Encourage her to earn extra money by babysitting or helping neighbors with odd jobs. If she earns \$20 babysitting, reward the hard work by matching the savings with \$10. If your tween decides to save the entire amount of a \$25 birthday check from a grandparent or relative, consider all of the quick ways she could have spent the money when deciding how much to match. Your tween's savings will add up more quickly and you can teach lessons on earning, budgeting and sacrificing.

After she purchases the item for which she's been saving, consider continuing the program and putting the money into a savings account at a bank, where it will be safe and earn interest. Teach your tween that earning interest on your money is saving without the effort!



My Savings Worksheet

Month 1	Amount	Match	Total
Allowance	\$20	\$10	\$30
Babysitting	\$20	\$10	\$30
Birthday check	\$25	\$15	\$40
	\$65	\$35	\$100

I saved \$100 in the first month!

Budgeting 101

If your tween can't figure out where his money is going, it may be because he needs a lesson in budgeting. First, have him write down everything he buys for two weeks. Help him write everything down in a notebook or type it into a spreadsheet on the computer.



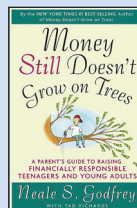
Soon he'll realize he's spending money that he could be saving. Maybe he's paying \$1 for a soda from a machine at school, when he can drink water or bring a soda from home. Maybe he's spending \$5 a day for lunch and snacks at school when you can help him pack a lunch and save. Help him find odd jobs or a dog-walking job in the neighborhood so he can increase his earnings.

Once he has figured out what he's spending, you can help him determine what to cut. Help him make a budget based on his income (allowance, gift money, earned money) and

expenses (lunch, movie tickets, CDs). If he decides to see only two movies a month, make sure he checks them off a list so he doesn't go over his budget. Share your family's budget with him. Show him how you prioritize and make sacrifices to prepare for the future. This will help him become a smart saver and a smart spender, and motivate you to budget wisely!

Check Out These Books!

Visit your local library or bookstore ...



Money Still Doesn't Grow on Trees

By Neale S. Godfrey

Neale Godfrey lends her parental and financial expertise to this parent's guide to raising financially responsible teenagers and young adults.



The Teenage Investor

By Timothy Olsen

At the age of 8, when most kids look no further than baseball cards and video games, young Tim Olsen bought his first stock. Now, with a diverse portfolio in hand, this 13-year-old explains how to build wealth in the stock market by starting early.

Click Your Mouse Here

<http://pbskids.org/itsmylife/money/index.html> (Sponsored by PBS)

This Web site, designed specifically for tweens, includes articles on how to make money, how to be a smart spender and how to manage your money. Play a game, print and complete activities offline — including journal pages and a crossword puzzle — and interact with other tweens in the "You Said It" section.

www.younginvestor.com/teens (Sponsored by Columbia Funds Distributor, Inc.)

Is it time to start thinking about making money, having your own money, and paying for college? Get answers to questions about financial planning and learn about all your options here.



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