



Talking with Teens about Money: A Two-for-One Opportunity

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Money is part of our lives every day. We spend it. Earn it. Save it. Give it. Invest it. Worry about it. Wish we had more of it.

But other than complaining or arguing about it, we don't often talk with our kids about money and how to manage it responsibly. When asked to describe conversations with her parent about money, one teen said: "I ask my mom for money for new shoes. She says no. End of conversation."

Though it's kind of funny, it's also kind of sad. Not only did this family fail to have a healthy conversation about money and spending, it also missed a chance to help the teen learn to make positive decisions, think about positive values, and other key skills and attitudes that are important for growing up well.

In fact, most financial issues we face with kids in our families are both about money and about life. When we learn to make good decisions in general, we're more likely to make good money decisions. And when we make good money decisions, it reinforces our ability to make good decisions in other areas of life. It's a two-for-one learning opportunity!

This two-way impact lies at the heart of Bank It (www.BankIt.com), an innovative financial literacy program from Capital One and Search Institute, which combines financial knowledge with practical strategies for raising great kids, based on youth development research with millions of young people across the United States. So let's think about some two-for-one opportunities that come when we link financial matters with growing up healthy.

Meaningful conversations—Many parents would rather talk with their kids about sex, drugs, or alcohol than about money, and only one in four teens say their parents regularly talk with them about money. Yet, once we get over the initial awkwardness, talking about money opens up interesting and revealing conversations about our priorities, values, and goals in life. Talking about money opens up a

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wide range of conversation about values, priorities, interests, and how kids spend their time. In other words, talking about money gives you and your teen a chance to talk about things that really matter. BankIt.com offers tons of conversation starters you can use to help you have meaningful conversations with your teen.

Decision-making skills—One of the critical life skills we teach our children is to set and follow through on priorities based on the things that are most important to us. Managing money give us practice developing these habits. In addition, helping teens develop these decision-making skills in other areas of life will also rub off on how they use their money. When your child is deciding what activities to do or wants to have a new pair of sneakers, for example, why not talk about the money choices involved? The goal may not be to discourage the purchase, but to help your teen be more conscious about why he or she makes the choice.

Boundaries and limits—All young people (and adults) need limits in their lives. They need to know what's appropriate and what's not. Knowing the boundaries is part of what helps us make wise and healthy choices. The same is true with money. Parents need to set limits with their kids, then use those limits to instill self-discipline and decision making. Sometimes it's easy to just say "no" when our kids ask for money or to buy things. "No" may be the appropriate response, but it helps for kids to know the reasons behind "no."

Talking About Money Is Important!

Talking about money doesn't happen enough in families, which can make teens less prepared to deal with financial challenges they will face.

A new national study from Search Institute of 1,500 families with 10 to 15 year olds found that:

- One-third (31%) of families with young teens have faced a financial crisis in the past two years.
- Only 18% of young teens believe they do a good job of managing their money.
- About half (46%) of young teens say their parents rarely talk to them about the family's money situation.



Find more tips at www.bankit.com.



Personal responsibility—Through learning about money, teens learn how to be more responsible—including when they make mistakes. It’s better for your child to learn about budgeting, earning, saving, borrowing, giving, and other money matters with you in your family before trying to figure out these different skills when the stakes are higher. Bank It is designed to help you talk about those kinds of issues before they become major challenges.

Hope for the future—A lot of what we learn about money is about balancing current wants and needs with long-term goals and priorities. For example, saving a little every day can make a big difference in the future. The same is true in other areas of life. Keeping focused on long-term goals can help us make better choices in the short term. Once again, learning this skill in one area (such as studying so you can go to the college you prefer) gives practice you can use in other areas of life (such as setting aside money for a special purchase later).

When you stop to think about it, most of the things your teen or your family does involve money. That includes meals, clothes, housing, recreation, school, entertainment, health, dating—you name it, there’s probably money involved. Most of the time, these money decisions are hidden or taken for granted. By bringing them to the surface (with BankIt.com as your guide), you not only can help your teen learn how to manage money, but he or she develop skills, attitudes, and values that will lead to success in all areas of life.

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