

# THE PRICE IS WHAT?

## 7 Saving Lessons For Teenagers

Teaching children about money when they're young helps them understand how it works. Many parents wonder how they can teach kids about money. As part of Great Midwest Bank's Financial Education For Kids series, we've created this shopping activity for your teen to learn about money.

### Tips on how to teach saving habits at ages 13-15

At this age, your teen is ready to learn more about money and wants tips for handling their finances in the future. Here are 7 lessons that are great for teens:

- 1. Needs vs. Wants.** Your teen thinks they need the latest smartphone and name-brand clothes. Explain to your teen that a phone may be a need, but the latest smartphone is a want. Try it with some other items.
- 2. Spend Less Than You Earn; Save The Difference.** Teach your teen that if they spend every dollar coming in, they'll never get ahead. Explain the importance of saving for the things they want, and even investing for the future.
- 3. Track Expenses and Start a Budget.** Whether your teen gets an allowance or has a job, they should set up a simple budget to track their money.
- 4. Save and Start Investing.** Introduce your teen to high-interest savings accounts for funding short-term financial goals.
- 5. The Power of Compound Interest.** Once your teen understands why they should use a high-interest savings account, they'll want to invest more money and watch it earn interest on top of interest.
- 6. Gross vs. Net Pay.** When your teen gets a job, the excitement of getting paid can quickly turn to disappointment. Take some time to explain gross versus net pay.
- 7. Credit Score Matters.** Having a good (high) credit score can help increase the chances of approval on rental and loan agreements. Teach your teen how to be responsible with credit.

# THE PRICE IS WHAT?

You have \$50 to spend.

Buy as many items on the list as you can without going over \$50.

**\$12**  
SOCCER SOCKS

  
**\$20**  
HAT

**\$6**  
BREAKFAST BURRITO

  
**\$18**  
GRAPHIC T-SHIRT

  
**\$9**  
MOVIE TICKET

**\$35**  
VIDEO GAME

**\$4**  
COLD BREW COFFEE

**\$12**  
HAIR PRODUCTS

  
**\$20**  
BIRTHDAY GIFT FOR MOM

**\$3**  
MILKSHAKE

**\$5**  
COACH'S GIFT DONATION

