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#### 4 finance experts -- and parents -- talk teens and money

Experts with teens relate their own experiences

By Sharon Waldrop

Is there a better way to teach your teen how to manage money and stay out of credit card debt than to turn to financial experts who are the parents of teens themselves?

Today's teens are eager to listen. According to a 2007 Charles Schwab survey, 93 percent agree that it's important to know how to live within your means and to have good money habits to be successful in life. In another Schwab analysis, the "2008 Parents & Money Survey," parents cite budgeting (64 percent) and credit card management (55 percent) as the top two topics more important today than when they were teens. However, only 49 percent of parents have actually taught their kids how to budget and a mere 29 percent have educated them about credit card interest and fees. About 70 percent of parents have taught their teens how to cook and do laundry.

Living beyond their means and getting into credit card debt are the top two financial concerns that parents have today, according to the 2008 survey. Here is practical advice for parents with these concerns from experts with a teen or two in the house themselves.



**Teen scene:** Laurie Majors from Lake Arrowhead, Calif., loaned money to her 19-year-old daughter and assumed that she would receive a payment every two weeks on her daughter's payday. Instead, the teen purchased a fancy new cell phone. "I think her youth and inexperience combined with a lack of real-life economic responsibilities takes her far away from really understanding what debt means," says Laurie.

**What the expert says:** "The parents should have established a repayment schedule to provide structure and discipline for their daughter," says Charlie Crawford, chairman, president and CEO of Private Bank of Buckhead in Atlanta and the father of two teens, ages 13 and 15. Paying a specified amount each payday until the loan is paid off is a good learning experience. Crawford suggests that Laurie help her daughter establish a budget. Start off by identifying her sources of cash and any financial obligations she may have, which includes repaying her parents. If she had made, for example, an agreed-upon \$50 loan payment and had money left over after payday, then a discretionary purchase -- like a new cell phone -- would have been fine.