

Is Your Kid Financially Adulting?

Take these steps to help your teen become a better money manager.

Seeing your teen near adulthood can give you a sense of both joy and concern. Both exciting milestones and potential mistakes await. So before they head to college or a new opportunity, provide a few lessons in financial education that can prepare them for a sound future.

Open a checking account and savings account

An early first step to teaching your children about money: Give them an account with money to manage. Help set it up, demonstrate how to use an ATM, explain how to write a check—a skill some young people don't have—and demonstrate how to monitor the balance and conduct transactions online or with a banking app.

Set a budget

Help your children understand the flow of their money and how to control that flow. Work with them to create a basic budget so they know how much money they have and what their expenses are (or will be). List income (or an allowance) and expenses—food, insurance, rent, tuition, books, phone, entertainment, etc. Remember, their financial aid may have to stretch over a whole semester in college, so budgeting is critical.

Help establish credit

Good credit is essential throughout life (think renting an apartment, getting a home loan, buying a car), so establishing a good credit history early is an important step. Start by adding them as an authorized user on your credit card, so you can teach them how to monitor the bill and manage the payments.

Check credit report

Encourage them to regularly check their credit report. It'll help them understand how financial decisions affect their credit score and may warn them if they are a victim of identity theft. Guard their online identity with ProtectMyID, through your Platinum-level coverage or their own coverage. Enroll at AAA.com/ProtectMyID.



Help your child establish good credit with the AAA Dollars Mastercard credit card, exclusive to members. (You can earn Cash Back rewards and AAA Dollars, too!) Get started at AAA.com/CreditCard.

And help them to be savvy savers, too. A high-yield savings account through AAA Banking gives them access to interest rates that'll grow their money faster. Learn more at AAA.com/Banking.

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