



# RAISING FINANCIALLY CONFIDENT TEENS: THE 50-40-10 RULE

A simple framework to teach your teen money management skills that last a lifetime.

50%

## SPEND

**Their money, their choices.**

- Checking account for daily expenses
- Savings account for short-term goals

40%

## SAVE

**Building for the future.**

- Emergency fund (Bank savings)
- Long-term growth (Investment/UTMA)
- Retirement planning (Roth IRA)

10%

## GIVE

**Thinking beyond themselves.**

- Charitable giving and gifts for others
- Discussions about family values

## ▶ CONSISTENCY IS KEY

Apply this to **everything** - weekly allowances, birthday money, summer job earnings, holiday gifts, etc.

## GETTING STARTED

### Checking & Savings Accounts

Contact your bank regarding accounts for minors. Some banks have age restrictions, and you may need to shop around to find the right fit.

### Investment Accounts

Contact your custodian (i.e., Fidelity, Schwab) regarding custodial accounts. Key term: UTMA (Uniform Transfers to Minors Act)

### Roth IRAs

Contact your custodian regarding Custodial Roth IRAs. Note: Your teen must have earned income to contribute.

### We are NOT Trying to Raise...

- Mini accountants who never enjoy life
- Financial experts who know every investment
- Kids who never make money mistakes

### We ARE Trying to Raise...

- Adults who make intentional financial decisions
- People who aren't afraid of money conversations
- Humans who understand money is a tool, not a measure of worth



**Parent Tip:** Consider offering matching contributions to encourage saving, just like an employer 401(k) match.

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