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Resources for Teaching Money Management to Teens

Financial Well-Being Definition *(CFPB)

The four elements of financial well-being: Security, Freedom of Choice, Present and Future:

	Present	Future
Security	Control over your day-to-day, month-to-month finances	Capacity to absorb a financial shock
Freedom of choice	Financial freedom to make choices to enjoy life	On track to meet your financial goals

Educators can assist students to create and improve their financial well-being.

Balance: Live within their means

Help them develop sound habits and make conscious adjustments in day-to-day money management:

- Practice contentment and cut down on mindless spending
- Stay out of debt and use credit responsibly when it is needed
- Act like and entrepreneur in generating income and avoiding interruptions in paid work

Ask: Gather information and evaluate results

Help them ask good questions, find facts and apply them effectively:

- Identify situations when they need financial information
- Explore how to get trustworthy information
- Decide what choice makes the most sense to them

Plan: Focus on the future

Help them connect their aspirations for the future to concrete plans:

- Identify specific, realistic goals

- Make step-by-step plans to reach those goals

- Feel confident about their ability to make a difference in their own lives

Act: Set themselves up for success

Help them carry out their decisions consistently:

- Figure out how to take the steps needed to put decisions into action

- Determine how to motivate themselves to take those actions

- Take advantage of existing ways-from auto-pay to peer support-to simplify staying on track

(Source: “Financial well-being: What It Means and How to Help” short digest, Financial Well-being: the goal of financial education, January 27, 2015, Consumer Finance Protection Bureau at Consumerfinance.gov/reports/financial-well-being)

Ideas for Teaching Finance:

Measuring Tape Activity: Pick a student and the teacher to do this activity. Each will take a tape measuring 100 cm on it. Cut it off the age you are now. Discard the lower piece. Cut off the age you think you will pass away. Then cut off the age when you hope to retire. The piece between the age you are and when you retire is the time you have to save for the years between retirement and death. Will you be prepared.

Step-Down Principle: Make a stair with 4-5 steps. Have students brainstorm ways to cut down their spending in a particular area. Go from most expensive to least or free.

Satellite Decision: Draw large circle in center of page. This is where to list the item to be purchased. Then draw smaller circles, to fill in with other purchases or expenses that will be incurred by buying this item. Do you have the money to fund it all?

Candy Activity: Have students volunteer to share an impulsive purchase they wished they hadn’t made. Reward participants with Butterfingers. Have students list times when they have been in a financial crunch and how they handled it. Reward with Crunch bar. Reward all those who have savings with a Life Savor.

Habitude Cards: If you have one deck of cards. Shuffle deck, pass around one card to each student and have them think of a goal they have. Then have them share how the statement on the card will help them achieve the goal or reduce the chance of accomplishing it.

What Do You Wish You Knew? Have students think about the things they would need to know about their partner’s financial behaviors before they were to get married? Then review the questions to ask and the observations they should make during their dating period to be prepared to share financial responsibilities and lessen challenges with their spouse after marriage.

Tips for Talking before Marriage – Your Money - Relationship starts on the very first date!

"Tying the knot," or getting married, means tying a financial life together. Before walking down the aisle, couples need to have money discussions that affect what comes after the honeymoon. Doing so before the wedding may prevent challenges down the road.



Couples need to know each other's financial beliefs and practices, including money management skills. Even on that very first date, you can learn about some of their attitudes and behaviors about money by watching how they deal with money issues. As you continue on future encounters and dates, watch what your date says and does with their money. Some young adults actually ask their significant other to share their credit report before marriage so they just what obligations their partner has committed to.

- Take opportunities to talk about your feelings about money.
- Beware of warning signs: if they are unwilling to discuss money, lies about their finances, or doesn't pay you back if they borrow from you.
- Discuss how they feel about the possible inequality of their income or bank account to yours, when considering how bills will be paid once you are under the same roof?
- Take time to understand your personal relationship with money and acknowledge the differences between you and your partner.

Questions to Ask:

Here are questions couples could ask each other to learn this vital information:

- What are your views on spending and saving? Do you spend cash as soon as it comes in, or do you put money into savings each pay period?
- Do either of you have individual financial goals in addition to your shared financial goals? For example, an individual goal may include paying down credit card or student loan debts.
- What about short-term and long-term goals such as saving for a home purchase, children, college funds, or retirement? Are there goals you will need to compromise on, such as how much you think you should save up before a purchase or spend on certain items?
- What kind of assets or debt are you bringing into the relationship? What is your plan for managing those assets for paying off the debt? Yes, couples need to talk about the student loans!
- How will you divide financial duties such as paying bills, managing bank accounts, or investing? Who has strengths in handling these issues? When will you schedule regular "money talks" to make sure both partners know what each is doing?

These are just a few questions. The bottom line is that couples need to communicate. Money can be a major source of stress in relationships. Open and honest lines of communication, sharing knowledge, ideas and information as well as compromising about finances will help couples reach goals as both individuals and couples.

Source: Pre-wedding Money Talk, Rosemary K. Heins, Extension Educator – Family Resource Management, Reviewed June 2013 by author. Transcript.

<http://www.extension.umn.edu/family/personal-finance/spending-and-saving/>

Additional Resources for Adult Roles/Financial Literacy

- (CFPB) Financial well-being: What It Means and How to Help, Consumer Finance Protection Bureau at [Consumerfinance.gov/reports/financial well-being](http://consumerfinance.gov/reports/financial-well-being)
- Focus on Finances: Preparing for Your Future Workbook, <http://www.consumer.ftc.gov/articles/pdf-0054-focus-on-finances.pdf>
- Information on Paying for College and Student Loans
 - <http://www.consumerfinance.gov/paying-for-college/>,
http://collegecost.ed.gov/shopping_sheet.pdf
 - <http://www.consumerfinance.gov/students/knowbeforeyouowe/>
 - <https://studentaid.ed.gov/sa/sites/default/files/financial-aid-process.png>
 - <http://www2.ed.gov/fund/grants-college.html?src=rn>
 - <https://studentaid.ed.gov/sa/sites/default/files/public-service-loan-forgiveness.pdf>
- Hands On Banking-Young Adult Version, Wells Fargo Bank,2013
<http://www.handsonbanking.org/htdocs/en/y/>
- All About Credit, <http://www.handsonbanking.org/htdocs/en/y/#/en/y/cr/index.html>
- Credit card simulator, http://www.channelone.com/interact_post/credit-card-simulator/
- Payday lenders: www.consumer.ftc.gov/media/video-0078-payday-lending
- Vehicle Title Loans, <http://www.consumer.ftc.gov/media/video-0101-car-title-loans>
- Prepaid Cards :<http://www.consumer.ftc.gov/media/video-0062-prepaid-cards>
- NEFE SAM Smart About Money, <http://www.smartaboutmoney.org/Your-Money/Daily-Decisions/6-Things-NOT-To-Do-With-Your-Money.aspx>
- Video Clip How not to fall for a jerk,
<https://www.youtube.com/watch?v=SXxypc5AYMs> Utah State University Extension youtube. 2013.
- Debt Brought Into Marriage – the Anti-dowry, James P Marshall, Linda Skogrand, Utah State University; <https://extension.usu.edu/files/publications/publication/FL-2003-03.pdf>
- “Dating and Dollars: How to Mix Love and Money in your Twenties”, Samantha Sharf, Forbes Staff <http://www.forbes.com/sites/samanthasharf/2013/11/26/dating-and-dollars-how-to-mix-love-and-money-in-your-twenties/>