



On Course

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Welcome. Start teaching your teenagers about money now! They will thank you later (maybe!). If your kids don't have good money habits or you haven't started the conversation with them yet, don't panic. The thing to remember is you need to start somewhere.

You may have missed our recent series on retirement. For Retirement, Part 1 - Retirement Savings, click [here](#). For Retirement, Part 2 - Social Security, click [here](#). For Retirement, Part 3 - The Retirement Paycheck, click [here](#).

Give your teenagers financial skills that will last them a lifetime. If you need assistance, we are here to help you stay *On Course!*

Jennifer Lane, CFP

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It's important to insist that your teens work at least part-time while they're living at home. Dealing with a work environment is much different than volunteering or the dynamics at school. Having them work while you can still teach them to manage the work environment -- as well as their paycheck -- is key to their financial success.

Get more tips in Jennifer's book

Money Lessons for Your Teens

Some helpful tips

- Don't be afraid to talk about money in front of your kids. Keep it light on the bad stuff -- you want your kids to get interested, not scared!
- Teach them to save. Get them their own savings account. Research interest rates at BankRate.com to find a good high yield savings account.
- Teach them about budgeting. A lifelong tool they might thank you for later. The [Greenlight Card](#) is an excellent platform to start with to help you and your teens guide their savings and spending.
- For college, start the conversation early about what the family can afford. Manage expectations with honest conversations. As a

parent, don't put your desires to have your kid attend a certain school ahead of your financial health.

- If your kids have a summer job (or earned income), have them open a Roth IRA. They can put 100 percent of earned income up to \$6,000 for 2019.

Establishing credit

- Get your teenager involved with credit now before they become an adult who needs it and might fall victim to an endless amount of bad. Encourage them to avoid: not paying credit cards off, opening credit cards to pay bills, creating the need for you to co-sign because of their bad credit.
- Teach them that their credit history follows them throughout their lives.
- Add them as an authorized user to your card and then establish limits on how they use it.
- If you don't think your teen is ready for a credit card, still add them as an authorized user. When the card comes in the mail, keep it until you feel the time is right. If your credit remains good, then that will transfer to your teen.

Driving

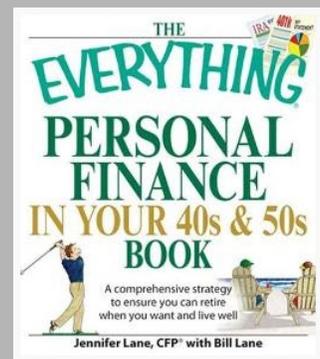
- Decide if the driver's license will come with a car.
- Set expectations with your teen well before the license is in hand.
- Talk about how the family will pay for the car for the new driver.
- Who will pay for gas? And the additional car insurance?
- Remember that there is a real cost to driving, even as you enjoy your new found freedom of having another driver in the house.

Q&A

Q. I have two teens who will be working this summer. Can you give me some tips on how to help them learn to budget what they're earning? We do ask that they save a portion of their paycheck.

-- Helen, Everett

A: Helen, you can help them to set up a simple income-and-expense tracking system. You could use a spreadsheet program, e.g., Microsoft Excel or simply start with their checkbook registers. Have them categorize their expenses into fixed, meaning difficult to adjust, such as the savings account or car insurance; variable expenses that are easy to adjust such as gas; and extra expenses that are very easy to adjust, such as entertainment. By prioritizing the fixed and then variable expenses, you can help them decide how much income they have left for extras. Good luck!



[\(click here for link \)](#)

Helpful Websites

[BankRate.com](#)

[GreenLightCard](#)

[MyBankTracker](#)

[NerdWallet](#)



Below are links to Jennifer's frequent contributions to financial planning articles.

- The ***New York Times*** featured Jennifer in an article titled, "**Balanced Funds Don't Inspire Fear or Greed. That's Why They Are So Useful.**" Click [here](#) to read the article.
- With a contrarian view, Jennifer contributed to an article, "**People are enraged by the idea that you should have twice your salary saved by the time you're 35!**" published recently by ***Business Insider***. Click [here](#) to read the article.
- Moving in together? Click [here](#) for the article from ***Business Insider***, "**Five questions you and your partner should answer before taking the biggest step in your relationship.**"
- ***Insider*** asked Jennifer to contribute to an article on old fashioned ways to manage your money, "**Six money-saving tips your grandma used that are way more effective than any budgeting app.**" Click [here](#) for the article.
- Jennifer contributed to an article on ***Business Insider***. Click [here](#) to read "**This is the best way to do your taxes online - according to experts.**"
- ***CNN Money's Money Moves*** featured Jennifer in an article on how to strike the right balance between retiring early and saving enough. Click [here](#) to read the article.
- Jennifer contributed to a ***CNN Money*** article "**When is the Right Time to See a Financial Advisor?**" Click [here](#) to read the article.
- Jennifer contributed to ***The Wall Street Journal*** article "**The Biggest Money Mistakes We Make -- Decade by Decade.**" Click [here](#) to read the article.

Compass Planning News

- Jennifer and Sarah were both named **2019 Boston Five Star Wealth Managers**.
- AdvisoryHQ named **Compass Planning** as one of the ten best Boston financial advisors.
- Jennifer recently answered NECN viewer questions about **creating an active retirement**. Click [here](#) to watch the segment on her blog.
- Jennifer appears on NECN every other Monday morning at 9:30 am in addition to her Tuesday 7:30 pm appearance.

Compass Planning Associates helps families, individuals, and small-business clients achieve financial security, knowledge, and control over their money. Our **fee-only, client-centered approach** provides education and guidance for achieving financial goals and dreams.

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