



## Regions Next Step Podcast

### Spotlight on Savings: Teaching Teens to Save Money

In this podcast, Tamica Foster, a Financial Wellness Relationship Manager for Regions Bank in Jackson, Miss., talks about how to teach your teens how to save money and help get them on their own path to financial success.

Want to learn more about the following topics? Check out the podcast to hear from Tamica.

- Teaching money matters to navigate newfound financial freedom
- Helping teens to develop simple savings habits
- Differentiating between needs, wants and wishes
- Establishing a financial plan and goals together

### *Episode Transcript*

Narrator:

You're listening to the Next Step Podcast "Teaching Teens to Save Money" – part of our Spotlight on Savings series presented by Regions Next Step – advice, tools and resources to help you get closer to reaching your unique financial goals. Today, we are joined by Tamica Foster, a Financial Wellness Relationship Manager for Regions Bank in Jackson, Mississippi. Today, we will be discussing how to teach your teens how to save money. Tamica, thank you for being with us today.

Tamica Foster:

Thank you. Excited to be a part of this discussion.

Narrator:

Great! Let's jump right into it. Now, every teen looks forward to that first paycheck — but few know what to do with their newfound financial freedom. Spending and saving habits start early in life, so it's never too early to start teaching teens the importance of saving money. Now Tamica, what are some practical lessons that will help parents show their teen the value of responsible money management? Where should they start?



Tamica:

That's a great question! I think the conversation has to start with developing a savings habit. Helping teens cultivate a habit of saving is what it's all about.

Start by encouraging your teen to pay him or herself first by putting a percentage of the money they earn into a separate savings account. Getting used to setting aside 10 percent early will prepare them to save for larger purchases, an emergency fund or, eventually, their first home.

You can also teach the value of philanthropy by having the teen save a certain percentage to give to an organization of his or her choice.

If your teen's employer offers direct deposit, show him or her how to set up an automatic transfer of funds from every paycheck into a separate savings. If your teen needs encouragement, you could offer to add one or two percent to the total amount he or she saves over a set period of time.

Narrator:

Love these tips! Giving your teen an extra percentage could be a great incentive.

Tamica:

Absolutely. And it's also important to meet teens where they are comfortable by taking their savings online. There are a wide variety of online tools that can help you teach your teens how to manage their money.

For example, the President's Advisory Council on Financial Capability launched [moneyasyougrow.org](http://moneyasyougrow.org) to help prepare children to make smart financial choices. It has activities and resources that make it easier to talk to kids and teens about spending and saving wisely.

Another resource is FINRA's [saveandinvest.org](http://saveandinvest.org). It has videos and games that teach teens and adults about budgeting, saving, and more.

Narrator:

Such a good point. Using the resources available will help better inform parents how to approach and outline these conversations with their teens.

Do you have any tips for teens on developing better savings habits and maybe even a savings plan?



Tamica:

Definitely. Start off by differentiating between needs, wants and wishes. Having conversations about needs and wants with teens not only helps them differentiate between the two, but also teaches them to evaluate and make better financial decisions — such as opting for a lightly used sedan over a shiny new sports car.

Now, when it's time for your teen to decide how to spend his or her money, start by asking him or her to set specific financial goals. Whether they want a bike, a first car or to pre-empt those college expenses, having a clear goal will give your teen a better understanding of how much he or she needs to save. Then you can work together to set a weekly or monthly saving goal that will help your teen reach that goal. Regions also has specific calculators that can help teens see the results of saving.

Narrator:

That makes sense! Lastly, do you have any advice for tracking saving and spending?

Tamica:

Yes! Set up a simple system and keep a record of all spending and saving. For example, you could mark 12 envelopes to correspond with each month of the year, then ask your teen to save each month's receipts in the appropriate envelope. This will allow him or her to review purchases, evaluate past buying decisions, and recognize when he or she could have spent more wisely. This exercise will empower your teen to improve spending habits over time. Maybe they'll think twice about spending money on certain habits or activities and put that money into savings instead.

Narrator:

That's great advice! Thank you, Tamica, for joining us today.

Tamica:

It was my pleasure!

Narrator:

And that concludes this podcast. You can find additional information about budgeting and more online at [www.regions.com/nextstep](http://www.regions.com/nextstep). No matter your goals, Regions will help you with each step you want to take. Thank you for listening.



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