

Have these money talks before sending your teen to college

For many teenagers, college is the first time they make money decisions without parental assistance. But if they don't fully understand how finances work, they leave themselves open to making costly and long-lasting mistakes.

Here are four money talks parents should have with their college-bound teens:

- **Budgeting:** No matter your income level, a budget is the foundation to good money management throughout your life. It helps track income and expenses while providing a plan of action to achieving financial goals and keeping you from overspending. Parents should explain the concept of needs versus wants and help students get started budgeting with a spreadsheet.

- **Credit Card Caution:** Many college students get into trouble with credit cards. Talk to your teen about the potential repercussion of opening multiple cards and the importance of making payments on time, every time. To help your teen build credit, consider helping them open a secured credit card or add

them as an authorized user on one of your cards with spending limits. For additional resources on all things credit, parents can visit [Take Charge America's Financial Education Center](#).

- **Identity Theft:** Explain the importance of protecting financial details, including bank accounts, credit cards, Social Security numbers and other personal information from scammers and identity thieves. Remind your kids never to share such information with anyone they don't trust, especially if contacted by unsolicited phone calls, emails or texts. Falling victim to identity theft can negatively impact your child's financial life for years.

- **Student Loan Lowdown:** If your teen took out student loans, talk to them about what expenses they are supposed to cover like tuition, books and housing. Emphasize that student loans are not free money intended to be spent on trips or non-school-related shopping. Explain how, unlike scholarships or financial aid, they are responsible for repaying student loans, with interest, when they finish school.

