



Have These Money Talks Before Sending Your Teen to College

National nonprofit credit counseling agency Take Charge America explains how parents can help college-bound students build a strong financial foundation

PHOENIX – (Aug. 10, 2021) – 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.

"Many teens don't intuitively know how to manage money. That's why it's critical for parents to sit down with their kids and have an open and honest discussion about financial basics," said Michael Sullivan, a personal financial consultant with Take Charge America, a [nonprofit credit counseling and debt management agency](#). "Providing that foundation will give kids the confidence to better understand the financial choices they make and properly manage money long after they finish college."

Sullivan shares 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 vs. wants and help students get started budgeting with a spreadsheet or apps like Mint or EveryDollar.
- **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 leave school.

About Take Charge America, Inc.

Founded in 1987, Take Charge America, Inc. is a nonprofit agency offering financial education and counseling services including credit counseling, debt management, student loan counseling, housing counseling and bankruptcy counseling. It has helped more than 2 million consumers nationwide manage their personal finances and debts. To learn more, visit takechargeamerica.org or call (888) 822-9193.

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