

# How To Manage My First Checking

Sooner or later, kids outgrow the piggy bank. Teenagers especially need a place to deposit paychecks from their first part-time job, or maybe you want them to learn about financial responsibility before heading off into the world. A teen checking account can be a perfect solution.

Here's how you can help your teen choose an age-appropriate checking account.

## 1. Understand your responsibilities as the parent

If your child is younger than 18, opening a teen checking account means you are opening a joint account with your child. You are a co-owner on the account, meaning that you share the financial burden of any overdrafts or fees incurred. Make sure your teen knows they're being trusted with this responsibility.

## 2. Ask the right questions about potential teen checking accounts

Before you select a checking account with your teen, research these frequently asked questions on the bank's website and terms of service to make sure it's a good fit.

**Q:** Does the account come with spending limits?

**A:** Thrive's Regular and Ultimate checking accounts have a \$1,500 daily debit card spending limit. At the ATM, there is a \$500 daily withdrawal limit.

**Q:** Can a parent set other restrictions?

**A:** Thrive partners with the SecurLock Equip app. This app allows you to input multiple cards into the app and control spending limits, block certain merchant types, online shopping or set alerts to many different spending habits. Members can also turn their debit cards on and off.

**Q: Do you have to have your own account with the bank?**

**A: A parent/guardian that is going to be joint on a teen checking account does not need to open up their own separate account at Thrive. A joint owner on the account will need to stay on until the teen is 18 years old.**

**Q: What happens when a teen ages out of the account?**

**A: When our Thrive Teens grow into Thrive Young Adults, their accounts will stay the same. Their checking account will remain free, with no additional requirements as long as they do not change the account type themselves. Joint owners will remain on the account until they remove themselves.**

### **3. Look for teen-friendly tech features**

**Bank accounts offer all kinds of online money transfer and banking services. Make sure your teen's account has the features that they might need, which could include the following:**

#### **Mobile Banking**

**At Thrive, members can mobile deposit checks on the go and make member-to-member money transfers.**

#### **P2P AND mobile wallets**

**When kids exchange money with one another, odds are it's not cash and coin. Instead, they're using peer-to-peer payment apps, such as Venmo or Cash App. Our Thrive checking accounts and debit cards can be linked to these apps, but because this is a joint account, you and your teen should understand the security features and any fees involved.**

**Your teenager also can link a debit card to buy items in stores that accept technologies such as Apple Pay and Google Pay. If your teen often forgets everything but their phone, a mobile wallet can be a lifesaver. The feature also has a security layer (called tokenization) that means the actual card number isn't involved in the transaction; instead, the app creates a one-time payment code.**

#### **EDUCATIONAL TOOLS**

**Thrive offers our Strive to Thrive Financial Education Center. These short, educational playlists offer interactive tools to learn budgeting,**

saving, and other financial tips throughout all stages of life. Whether you're ready to buy that car or home or start saving for retirement, we'll walk you through every step of the way.

## **4. Try to avoid account fees**

**Free is best**

**This account is a teaching tool; it doesn't need to be fancy. Don't sign up for one that charges a monthly maintenance fee or requires a minimum balance.**

**Choose a good ATM network**

**After this experience, your teen will no longer think of you as an ATM. Instead, teach them the difference between in-network ATMs (ones where you won't be charged fees to withdraw money) and out-of-network ATMs (ones where you probably will be charged, by your bank and/or the ATM owner, between \$2 and \$5 each time).**

**Avoid fees altogether by using Thrive's large network of over 30,000 ATMs nationwide in our shared network.**

**Avoid overdraft fees**

**Save yourself headaches — and money — and get your teen into the habit of checking account balances. Our checking account is set to decline a charge if the teen doesn't have enough on their debit card to cover it. The checking account will be linked to a savings account so that money can be moved over to checking to cover any expense that dips the account into the red in the future.**

**Some things have to be learned firsthand. Even after lessons and warnings, your child may not fully understand the costs of an account until they have to pay fees out of their own pocket. Choosing the right teen checking account can minimize these expenses, making them a small price to pay for some valuable financial education.**