

Smart Ways to Save

- **Discuss Wants vs. Needs**
 - The first step in teaching kids the value of saving is to help them distinguish between wants and needs. Explain that needs include the basics, such as food, shelter, basic clothing, healthcare, and education. Wants are all the extras—from movie tickets and candy to designer sneakers, a bicycle, or the latest smartphone.
- **Let Them Earn Their Own Money**
 - If you want your children to become savers, allowing them to earn and save money provides them with the opportunity to learn how to use it. When you offer allowances in exchange for chores, they're also learning the value of their hard work.
- **Set Savings Goals**
 - To a kid, being told to save—without explaining why—may seem pointless. Helping children define a savings goal can be a better way to get them motivated. If they know what it is they want to save for, help them break down their goals into manageable bites. If they want to buy a \$50 video game, for example, and they get a \$10 allowance each week, help them figure out how long it will take to reach that goal, based on their savings rate.
- **Provide a Place to Save**
 - When your children have a savings goal in mind, they'll need a place to stash their cash. For younger kids, this may be a piggy bank, but if they're a little older, you may want to set up their own savings account at Thrive. As they get older, our checking account debit cards notify you when they make purchases and allow them to set savings goals.
- **Have Them Track Spending**
 - Part of being a better saver means knowing where your money is going. Tracking expenditures is a little easier with the Thrive mobile app, but they can also do it the old-fashioned way. If your children get an allowance, having them write down their purchases each day and add them up at the end of the week can be an eye-opening experience. Encourage them to think about how they're spending and how much faster they could reach their savings goal if they were to change their spending patterns.
- **Leave Room for Mistakes**
 - Part of putting kids in control of their own money is letting them learn from their errors. It's tempting to step in and steer kids away from a potentially costly mistake, but it may be better to use that mistake as a teachable moment. That way, they'll know in the future what not to do with their

cash. To limit debit card spending starting out, our SecurLock Equip app has a spending limit feature to control those limits.

- **Talk About Money**

- In a 2021 T. Rowe Price survey, 41% of parents said they don't like to talk with their children about money, with many expressing embarrassment about bringing up the topic. However, if you want kids to learn about saving, you have to nurture an ongoing discussion. Whether you schedule a regular weekly check-in to talk about money or make money chats part of your daily round, the key is to keep the conversation going.