

## Show Me the Money! Money Camps for Teens

By Andrea A. Firth

Do you want your teenager to become a self-reliant, financially-independent adult? Do you want to make sure that when they move out they can afford to stay out? Do you feel like your teen is an expert at spending but an amateur at budgeting? Managing money is a challenging task for most adults, and it becomes even more difficult when the parent/teen dynamic is introduced according to Sandra Anderson, a certified coach who organizes money camps for kids. “There are some parents who do really well. They start their kids with budgeting early on—but that’s the minority.”

Anderson, who also works as a mortgage broker in Orinda, became interested in money camps for kids after watching a segment highlighting the camps on NBC’s *The Today Show* about three years ago. She researched the eight-year old organization (Creative Wealth International based in Santa Barbara), met the owner, and liked what she found. Formerly a stockbroker for Charles Schwab, Anderson participated in an intensive training program and now runs week- and weekend-long camps on money management throughout the Bay Area for children between 11 to 19 years of age. “My niche is educating kids, I want to get out there and help young people to get to a place where they are not constantly depending upon mom or dad,” states Anderson. The camps are typically held on college campuses providing the attendees with the added benefit of exposure to campus life.

“What I love about money camp is that the class is all about experience,” states Anderson. “It’s exercises, not lecture.” She talks about “buckets of money” (just like the budget gurus in the city of Lafayette), and through group activities, she teaches the concepts of fixed and variable costs, discretionary and passive income, and of course, the role of instant gratification. “I explain to my students that you have to determine what your priorities are and how you want to live your life. Money is just a vehicle to do it.”

“Today, college kids get bombarded with credit card offers,” adds Anderson. “If they don’t understand at the outset how dangerous credit cards can be, even with a credit line of only \$500, and they don’t pay or pay on time, they can find themselves in their twenties with ruined credit.”

Anderson also suggests proceeding cautiously with the

checking accounts and ATM cards being offered to teens by many area banks. “There is a lot of concern about this sort of thing among parents,” states Anderson. She notes that as kids become more accustomed to using “plastic” spending can escalate and an appreciation for where the money comes from often declines. “I think it can be very good for teens—it gives them a sense of independence,” explains Anderson. “But parents have to stay involved to help their kids to understand how it all works.” She recommends regular oversight of these types of accounts including a monthly tete a tete with parent and child reviewing the bank statement on paper or online. Anderson acknowledges that kids will make mistakes, there will be overdrafts, and they will learn from these mistakes. Before getting started, she promotes establishing an agreement with boundaries and consequences for exceeding set spending limits.

Anderson remains unabashedly optimistic regarding the ability of today’s parents and teens to be successful in the realm of money management. “Parents today strive to break down communication barriers and not let old taboos keep them from enlightening their kids,” states Anderson. “They want to avail kids of as much information as possible to make them as independent as they can be.”



### Recommendations for Managing Allowance with Kids

- Start an allowance program with your child—the goal is to introduce good money management habits early.
- Allowance should not be tied to household chores—allowance is about money management. Parents are not paid to carpool, prepare meals, or do the laundry. Children’s contributions to household chores should not be paid either.
- Communication is essential to setting expectations and boundaries. Discuss the types of expenditures you will pay for and what you expect your child to pay for from his or her allowance.
- Providing allowance without a tracking tool defeats the purpose of an allowance program. A simple spreadsheet or paper checkbook register works well.

*Sandra Anderson can be reached at [Sandra.anderson@utms.com](mailto:Sandra.anderson@utms.com) or 925.253.6290.*