

# FINANCIAL LESSONS YOUR KIDS DIDN'T LEARN IN UNIVERSITY

It's up to you to help them become financially responsible adults.



Four or more years of higher education may have given your child a great career start, but your graduate might still need some real-life skills on how to responsibly handle money. Now, it falls to you to fill in the gaps in your child's financial education. Here are some important lessons you'll want to cover before you find yourself with an empty nest and an emptier wallet.

As young adults, your children will need to know how to:

**1. Budget and pay bills on time.** Chances are your children have not really had to create and follow a budget before. You'll need to explain how to budget for utilities, food, gas, insurance, rent and cellphone service before spending on discretionary items. In addition, reinforce the idea of paying bills on time so your children will know what's left to spend on other expenses and savings.

**2. Manage debt. Many college students graduate with credit card debt and student loans.** Show your children how quickly credit card debt, fees and interest can accumulate and get out of hand. Help them be smart about

using credit wisely. While you're at it, discuss fees involved with some credit cards and banking accounts.

**3. Build credit.** A debit card won't help build credit. So talk to your kids about using a credit card that can be paid off each month. Building a good credit history could help increase their chances of borrowing at lower rates later on, say for a mortgage.

**4. Save for a rainy day or a large purchase.** Help your children establish good saving habits and set them up for a successful future. Encourage them to set aside a percentage of each paycheck toward retirement goals – maybe in a plan offered by their employers – and save three months of expenses in an emergency fund. Compounding will help both accounts grow over time.

**5. Manage money.** Explain the basics of investing, including the benefits, risks, costs and tax implications. A strong foundation here can help your children make smarter financial decisions later.

For more guidance, consult your financial and tax professionals.

If you're not already working with a Raymond James advisor, we invite you to contact one or more in your area. We're confident you'll find a financial professional who's right for you.

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