Survey: When Parents Plan to Start Teaching Their Kids About Money

By Simon Zhen Updated: Aug 26, 2020

For children, a strong foundation in personal finance can lay the groundwork for a lifetime of smart money management. That's why parents place such great importance on financial literacy at a young age.

A recent MyBankTracker survey found that **an overwhelming majority of parents (82.2%) taught or plan to teach their children about money and personal finance before the age of 18** while most parents (83.8%) want a personal finance class taught in school.

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But, according to the Council for Economic Education, only 21 states require high school students to take a personal finance course, as of February 2020.

So, parents may take matters into their own hands and begin teaching their children about money and how to handle it wisely.

Key Highlights

- 82.2% of respondents will or did teach their child about money and personal finance before they are adults (18 years old)
- More women (64.8%) than men (35.2%) taught or plan to teach personal finance at a younger age (age 5-10)
- 83.8% of respondents wish the child's school taught a class on financial literacy

When did you or will you teach your children about financial literacy, money, and personal finance?

Age range	**% of respondents**
Age 5-10	30.7%
Age 11-13	27.6%
Age 14-18	23.9%
I did not or don't plan to teach it	17.7%

Do you want a financial literacy class taught in your child's school?

Response	**% of respondents**
Yes	83.8%

Response	% of respondents
No	16.2%

How Children Can Start Managing Their Own Money

Setting up a bank account for a child is usually the first step to help him or her manage personal finances.

Here are the most common ways to do it:

Kids savings accounts

A **kids savings account** is designed to be a place where children can begin to put any savings that they may have at an early age.

Typically, it's just a regular savings account with a joint accountholder who must be an adult. The account may require that certain transactions, such as withdrawals and outgoing transfers, be initiated by the adult accountholder.

Teen checking accounts

Like with a kids savings account, a **teen checking account** (may also be called "high school student checking") usually requires a joint accountholder who is age 18 or older.

Because checking accounts serve as financial hubs for most people, it is vital in allowing children to manage their own money.

Depending on the bank, there may be restrictions on the transactions and services offered. For example, a teen checking account may not offer paper checks and/or prevent the ability to overdraw the account.

Prepaid debit cards

Prepaid debit cards are also popular for money management at a young age.

At the core, these cards operate similarly to teen checking accounts. The biggest difference often lies in the features that are marketed specifically for parents and their children.

These prepaid debit cards may allow multiple debit cards for multiple children on a single account. Additionally, useful features may be offered, such as financial tasks, savings goals, and weekly allowance distributions -- making it easier for parents to play a bigger role in building their children's money habits.

Authorized users on credit cards

Parents who want to help their children establish a good credit history can add children as **authorized users on their credit cards** (fees may apply).

As an authorized user, a child's credit report will reflect the activity on the credit card account. If the credit card account is paid on time with low balances, the child will begin to build good credit.

How Parents Can Help Develop Money Management Skills

There are various ways that parents can ensure that a child's finances don't get out of control, which may contribute to bad money habits.

Here are some of the best ways that parents can monitor a child's financial accounts:

Transaction limits

Many banks and financial institutions allow parents to place limits on transactions, such as purchases and withdrawals, so that children do not overspend or take out too much money.

Account alerts

Create account alerts that will send out notifications when a specific type of transaction occurs on an account.

For example, every debit card transaction can trigger an alert that allows parents to see how kids spend their money.

Online and mobile banking

Depending on the bank, there could be plenty of online and mobile banking features that are essential for keeping track of a kid's financial accounts.

For example, parents can get a better idea of how a child is spending his or her allowance.

Methodology

The study was conducted through Google Surveys on behalf of MyBankTracker from August 11, 2020 to August 17, 2020 with respondents who are parents in the United States:

- Question 1 had 469 respondents with a margin of error of +/- 4.8%
- Question 2 had 446 respondents with a margin of error of +/- 4.7%

About the author Simon Zhen

Simon Zhen is the senior research analyst for MyBankTracker. He is an expert on consumer banking products, bank innovations, and financial technology. Simon has contributed and/or been quoted in major publications and outlets including Consumer Reports, American Banker, Yahoo Finance, U.S. News - World Report, The Huffington Post, Business Insider, Lifehacker, and AOL.com.