

What to teach *recent graduates & young adults*

✓ If you are just starting financial lessons with your kids, view our previous [checklist here](#).

✓ Pray for your child and offer guidance, but allow them to find their own way, even through struggles. Adversity builds resilience and character.

Remind them that few people start in their dream job. Working hard to gain a better position or opportunity teaches valuable lessons and makes them more grateful for what they earn and accomplish.

Young adults may struggle to realize they won't immediately match their parents' lifestyle, which took years of hard work to achieve.

✓ Introduce the basics of investing.

- What is a stock, bond, and mutual fund?
- What are the risks and rewards of each?
- The power of compounding and why it's beneficial to start investing early.
- The importance of diversification, finding a trustworthy financial advisor, and periodically monitoring your investments.
- Consider allowing them to experience investing by either providing a small amount of assets or utilizing a virtual investing simulation, such as those offered by MarketWatch.

✓ Ensure your children know how to:

- Pay recurring and one-time bills.
- Apply for credit and manage it wisely.
- Plan for paying off debt (student loans, etc.).
- Save for future needs.

✓ Intentionally and clearly state your expectations for your children after graduation, leaving no room for interpretation.

Can they move back into your home? If so, will they pay rent, and how much? How long can they live there? Are there requirements they must meet to live in your home? Though these may seem harsh, clearly defining how and for how long you'll help your child benefits both of you.

✓ Remember the simple wisdom of give, save, and spend. Although their earnings have likely increased, they can still focus primarily on these main categories.

Give: Encourage them to establish a plan to prioritize and practice generosity. Holding wealth with an open hand, releases the power of money in our lives as we realize we are merely stewards of it.

Save: Show your children how to build an emergency fund and save for future investments and desires (down payment, new car, engagement ring, etc.). Teach them the importance of having liquidity for unexpected expenses or emergencies. Encourage them to take advantage of employer benefits, like matching 401(k) offerings.

Spend: Help them establish a budget that is in line with their income level. Teach them how to track income and expenses to ensure they are spending less than they earn. Guide them as they learn how to pay for the necessities of life (i.e., housing, gasoline, food, insurance) rather than just the items they want to pay for (i.e., gourmet coffee, clothing, upgraded technology). Life is about choices, and we spend money on what we value. Can I make the payments on that car? What rent amount can I afford? Let your children make these decisions. Allow them to learn the consequences of their choices—good or bad.