



Parents: Watch Out for 5 Common Mistakes

When it comes to finances, it can be challenging to find the right balance as a parent. How much should you talk about money with your children, and what information should you share?

If you want your kids to become financially savvy adults, you may want to start discussing a few basics with them when they're younger, or at the very least, don't avoid the topic altogether.

Want to help set your kids up for success? Here are a few best practices to keep in mind and five things to watch out for.

5 Common Mistakes to Avoid

- 1. Never discussing money.** Money can be a sensitive topic, even within a family. Never talking about income, budgeting, savings or expenses can make it difficult for kids to get started when it comes to managing their finances effectively later in life.
- 2. Setting a less-than-great example.** Do you regularly set goals and track your progress? Do you have life insurance? Making strategic financial decisions for the future can help set a good example for your kids.
- 3. Splurging too often or failing to set limits.** Spending money on your kids is a natural desire, but it can be a mistake not to set limits. For example, some parents end up overspending on their child's wedding at the expense of their own retirement goals.
- 4. Lifestyle creep.** Lifestyle creep can happen to anyone. In families with children, it's possible to fall into the habit of "keeping up with the Joneses" and purchasing expensive items and activities for kids that might stretch the budget.

5. Not planning for financial independence. Being able to provide for your kids financially is a wonderful feeling, but some parents find themselves in the position of paying for their child's lifestyle indefinitely. Having upfront conversations about money and timeline expectations can help build a bridge for your kids to become financially independent.

Have questions or need to check in? Reach out today.

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