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Money Management for Youth

First jobs can shape good financial habits

Many young people think about how to earn money to buy the things they want, but it is important to learn how to manage that money too! The best place to start is with a bank account. Once you land that new job, open a bank account to keep track of your money and keep it safe. The account will open the door for making better financial decisions and becoming more confident in money management.

Open a Bank Account

Banks offer different accounts. Some banks offer special accounts for students and young adults. Compare the options to select the best one for you; this [banking checklist](#) from FDIC Money Smart may be helpful. Go over terms such as minimum account balance requirements, mobile banking features, ATM fees, and interest rates offered when choosing an account. (If under the age of 18, an adult may need to open the account with you.)

Once you open a bank account, review the information provided in bank statements,

such as checking when money is added (credited) to and subtracted (debited) from your account. Learn the difference between an account's current balance and available balance, and things like direct deposit and automatic bill payments. If you have questions, ask a bank employee or someone else you trust. FDIC's [Manage My Checking Account](#) may be a helpful resource.

Understand Fees

The fees can vary depending on the terms of the bank account and the services used, so find out what fees the bank may charge. Some common fees include monthly maintenance fees, fees if you use an ATM at other banks, and overdraft fees. Knowing how the bank assesses fees can help you avoid them.

Information about a bank's fees can be obtained by reviewing the account agreement or fee schedule. These documents are provided when the account is opened and may also be available online or at the local bank branch.

Use Mobile Banking Wisely

Mobile banking allows an individual to perform many banking activities, including depositing checks, transferring money (such as for paying bills), and reviewing account balances, on a smartphone or tablet. There are also a number of apps available that can be used for budgeting, tracking spending, and paying bills. While technology has made banking much more convenient, make sure that you create strong passwords for your accounts and devices, and avoid logging into your accounts through a public Wi-Fi network, such as at a coffee shop, public hotspots, etc.

For more information, see our article on [where your mobile device meets banking](#).

Where Does the Money Go?

Having a bank account is a great tool to help you see the value of savings and also how to budget. You should track how much money you make and then see if you can split the money up to buy day-to-day items and pay bills, and still set some aside for your savings.

Savings Accounts

It is important to save money for emergencies and to understand how compound interest works. Putting even a little money from each paycheck into a savings account and leaving it untouched will allow the account balance to grow. Watching savings grow by putting money away on a regular basis can be rewarding.

Although retirement may seem a long time away, what you earn today during your working years will determine how much you could receive in monthly Social Security benefits when you can retire or if you become disabled and unable to work. The Social Security Administration has web pages dedicated to [students](#) and [other young people](#) who work. Learn how Social Security is with you from birth, when you get your first job, get married, and how Social Security will be there for years to come.

Money management is an important skill to learn, and a bank account is a great tool to learn about spending, budgeting, and saving money for a successful future.

For more information, visit:

FDIC, [#GetBanked Initiative](#)

FDIC, [Money Smart for Young People](#)

FDIC Podcast, [How Having a Bank Account Protects Your Money](#)

FDIC Consumer News, [Banking With Apps](#)

Consumer Financial Protection Bureau (CFPB), [The Teenage Years are for Practicing Money Decisions in a Safe Space](#)

CFPB, [Money as You Grow](#)

Federal Trade Commission (FTC), [Managing Your Money](#)

For more help or information, go to www.fdic.gov or call the FDIC toll-free at 1-877-ASK-FDIC (1-877-275-3342). Please send your story ideas or comments to Consumer Affairs at consumeraffairsmailbox@fdic.gov

