THE ADULTING COURSE · FREE PARENT GUIDE

5 Money Skills Every Teen Needs Before 18

The five things that will save your kid from the most expensive mistakes of early adulthood — and a simple way to teach each one at home. Every figure verified current for 2026.

Why this matters

Only about 57% of American adults are financially literate — and most schools still don't teach this. The good news: the skills that matter most are simple, and you don't need to be a finance expert to pass them on. This guide gives you the five that matter most, the eye-opening number behind each, and a five-minute conversation to start tonight.

Inside this guide:

1. How to read a first paycheck (and why it's smaller than they think)
2. How to spend on purpose (the quiet leaks that drain a budget)
3. How credit really works (and the trap that costs thousands)
4. How to spot a scam (the fraud that took $16 billion last year)
5. Why starting early is a superpower (the $816,000 lesson)

SKILL 1

Read a First Paycheck

The first time a teen sees a paycheck, they expect their hourly rate times their hours. Then reality hits: taxes and FICA come out first, and the number in the account is noticeably smaller. A teen who understands the gap between **gross** (what you earned) and **net** (what you keep) budgets from the real number — not a fantasy one.

The number that surprises them

7.65% of almost every paycheck goes straight to FICA (Social Security + Medicare) — before any income tax. On a $500 check, that's about $38 gone before they've spent a cent, and usually more once withholding is added.

TRY THIS TONIGHT · The Paycheck Reality Check

Ask your teen: 'If you earn $15/hour and work 20 hours, how much lands in your account?' Most guess $300. Walk through FICA and withholding together — the real answer is closer to $255–$270. That one conversation reframes every money decision that follows.

SKILL 2

Spend on Purpose

Most money doesn't vanish in big splurges — it leaks out a few dollars at a time through subscriptions and auto-renewals nobody remembers signing up for. A teen who learns to track recurring charges and cancel what they don't use holds onto far more of what they earn, for life.

The quiet leak

The average American spends about **$1,332 a year** on subscriptions — and wastes roughly **$252** of that on ones they never use. About 70% of people have forgotten to cancel a free trial.

TRY THIS TONIGHT · The Subscription Audit

Sit down together and list every recurring charge on a card or account. For each one, ask: 'Did you use this in the last month?' Cancel what they didn't. It's a ten-minute habit that can save hundreds a year — and it teaches them to notice money moving.

SKILL 3

Understand Credit

Credit is invisible until it isn't — and by the time a young adult feels it, the damage is done. A teen who understands that a credit score shapes the rates they'll pay on cars, apartments, and loans (and that minimum payments are a trap) starts adult life with a huge advantage.

The trap that costs thousands

Paying only the minimum on a credit card is how small balances become huge. On a $2,400 balance at a typical ~22% APR, minimum payments can take about **9 years** to clear and cost more in interest than the original purchase.

TRY THIS TONIGHT · The Minimum-Payment Eye-Opener

Show your teen a credit card 'minimum payment' example online. Point out that on a $2,400 balance, most of an early payment is pure interest — only a few dollars actually reduce the debt. The lesson lands fast: pay the full balance, or don't charge it.

SKILL 4

Spot a Scam

Today's scams are polished, personal, and aimed squarely at young people who move money with a tap. A teen who knows the red flags — urgency, secrecy, and a weird way to pay — and knows that payment-app money usually can't be recovered is far harder to fool.

The scale of it

Americans reported losing a record **$16 billion** to fraud in 2025, and imposter scams were the #1 type. Money sent on Zelle, Cash App, or Venmo usually **can't be reversed** — unlike a credit card.

TRY THIS TONIGHT · The Red-Flag Rule

Teach one sentence: 'Your bank and the government will NEVER demand payment by gift card, wire, crypto, or app — anyone who does is a scammer.' Then agree on a family rule: before sending money to anyone unexpected, they check with you first. That pause stops most scams cold.

SKILL 5

Start Early

The single biggest advantage a teenager has isn't money — it's time. Compound interest turns small, early investments into life-changing sums, and every year of waiting costs more than the last. A teen who grasps this will make different choices for decades.

The $816,000 lesson

Investing just **$100 a month** starting at age 18 (at the stock market's long-run ~10% average) grows to about **$1.28 million** by 65. Wait until 28 to start, and you end up with only about $466,000 — the ten-year delay costs roughly **$816,000**.

TRY THIS TONIGHT · The Compound-Interest Wow

Pull up any free compound-interest calculator together. Enter $100/month, 10%, starting at 18 vs. 28. Let your teen watch the gap appear on the screen — it's the most motivating money lesson there is, and it makes 'start now' feel real.

YOU'VE GOT THE FIVE. NOW MAKE THEM STICK.

These five skills prevent the most expensive mistakes of early adulthood. But knowing them and *teaching* them are two different things — especially when life is busy and money talk feels awkward.

That's exactly why we built the full **Adulting Course** program. It turns all fifteen adulting money skills — paychecks, budgeting, credit, cars, banking, investing, taxes, insurance, college, first jobs, and more — into short lessons, done-for-you worksheets, and simple conversation guides, so your teen leaves home actually ready. No finance degree required, and every figure is verified current for 2026.

Your next step

Watch your inbox — over the next few days we'll send you a few more of the money conversations that matter most, plus a first look at the full Adulting Course program and a founding-family discount. In the meantime, pick ONE skill above and start the conversation tonight. The best time to teach this was years ago; the second-best time is dinner.

The Adulting Course · Helping teens leave home money-smart.