



Three Financial Lessons to Share Before Your Child Leaves Home

As your child prepares to take their next big step, whether they're heading off to university, college, trade school, or entering the workforce, it's natural to wonder if they're truly ready for life on their own. Beyond academic and career planning, one of the most impactful ways you can support them is by helping them build a strong financial foundation.

Even simple money lessons, shared at the right time, can have a lasting impact. Here are three essential lessons you can pass along to help them navigate early adulthood with confidence.

Lesson One: Track Your Spending - Know Where Your Money Goes

It's easy to spend money without thinking. Maybe it's a snack after school, a movie with friends, or a new game. But if you're not paying attention, your money can disappear faster than expected.

Why it's important

Tracking your spending helps you understand where your money is going. It allows you to recognize patterns and adjust habits, so you don't overspend on things that don't really matter.

How to do it

Write down everything you buy for a week or a month. You can use a notebook, your phone, or a budgeting app. At the end, review the list. You might be surprised by how much goes to everyday conveniences like fast food, rideshares, or subscriptions. That's okay. The goal is awareness, not perfection.

Make it a habit

Check your spending every week. Consistent tracking leads to better decisions. The more accurate your data, the more useful it becomes.

Take it to the next level

Start identifying needs versus wants. Understand the minimum you need each month to cover the essentials. Then set limits on how much goes toward discretionary spending, leaving room for savings and long-term goals like investing.

Lesson Two: Be Careful with Debt—Borrow Wisely

Most young adults are starting out with a clean slate and little or no debt. While avoiding borrowing is ideal, sometimes it's necessary, like when taking out a student loan. But borrowing too much too soon can create long-term financial strain.

Why it's important

When you borrow money, you're not just paying back the amount you borrowed, you're also paying interest. This can make things cost significantly more. Imagine if every price tag included the true cost of borrowing. It might make you pause before spending.

How to avoid problems

Use cash or debit whenever possible, and plan for larger expenses. If you don't have the money yet, wait to buy. Be cautious with credit cards; they can create bad habits. If borrowing is necessary for education, only take what's truly needed. And always ask questions if you're unsure, as understanding loan terms is essential.

Smart choices

Live within your means. That might mean choosing a used car instead of a new one or skipping the latest gadget. Living modestly now can lead to more freedom later.

Emergency reserve

If you own something valuable, like a car, make sure you're setting money aside for repairs or other unexpected costs. Over time, save enough to cover a few months of basic living expenses.

Lesson Three: Start Investing Early—Time Is on Your Side

Saving and investing serve different purposes. Saving is for short-term needs, like setting up an emergency fund or planning a vacation. Investing, on the other hand, is about building long-term wealth, and the earlier you start, the more powerful the impact.

Why it's important

Starting young gives your money more time to grow. Even small amounts invested consistently can add up over time thanks to compound returns.

How to invest

Set aside a portion of each paycheck or monetary gift into an investment account. If you're working, check if your employer offers a group savings or retirement program with matching contributions. It's one of the easiest ways to build wealth.

The magic of compounding

Compound returns means that your investments can grow not just from your original contributions, but also from the returns those investments generate over time. The longer your money stays invested, the greater the potential for growth.

Final Thoughts: Conversations That Build Confidence

When it comes to raising financially confident adults, conversations matter. Don't be afraid to talk about money by encouraging questions, sharing what you've learned, and exploring financial topics together through books, podcasts, or videos. There's no such thing as a dumb money question and learning together can be a powerful way to build trust and confidence.

These foundational lessons—tracking spending, borrowing wisely, and investing early—can spark lifelong habits. For families who have worked hard to build wealth,

passing down financial knowledge is just as important as passing down assets. With guidance, support and honest conversations, your child can step into the next stage of life with clarity and confidence.