

## Financial Independence / Money Management

Teenagers face many challenges when it comes to money management. During these years, they are defining their identity, customs, preferences, and behaviour patterns. At the same time teenagers are experiencing the full influence of peer pressure to conform to the group in combination with consumer advertising campaigns specifically targeted to appeal to their age group. Individuals may react to these pressures in different ways, and it is important for teenagers to develop money management skills to cope with these pressures.

Young people with an intellectual disability need the same opportunities to learn money management skills as any other teenager. They need opportunities to experiment, make age appropriate decisions that have real life consequences and learn from their mistakes.

No one is expected to be able to go from having no responsibility for their financial affairs to having full responsibility in one simple step. Money management is a skill that they will acquire over many years. Support your teenager to build these skills by gradually increasing the type and level of money management responsibilities they take on. Give them real-life opportunities to learn these skills.



- Discuss money management with your teenager and make an age-appropriate plan about when they will take over responsibility for different financial aspects of their daily living needs.
- Include your teenager in conversations about the family budget and bills.
- Show your teenager what bills look like and how you plan to pay them. Reconciling the bank statement can give a picture of both monthly and seasonal expenses. If you keep family account records, let your teenager track the expenditures so they can see firsthand how much it costs to live.
- Get your teenager into the saving habit by helping them identify savings goals and maintaining a savings account.
- Involve your teenager in making financial decisions. If you are planning to buy something for the home (appliances, white goods, home entertainment products etc.) involve them in the research, budget and purchase process.
- Teach your teenager budgeting by involving them in the grocery shopping - a responsibility that needs to be done on a regular basis; represents a large portion of a family's monthly expenses; and requires practical money management skills. Have them contribute to some of the meal planning, at first with your help and supervision and then later on their own.
- If you have a car that they use on a regular basis, consider having your teenager assume some level of responsibility for petrol, registration, insurance, maintenance and other costs.
- Provide opportunities for teenagers to learn comparison shopping, unit pricing, and how to find and use shopping information such as consumer product tests and reviews.

### Disability Support Pension

Your teenager may be eligible for the Disability Support Pension (DSP) when they turn 16.

To a teenager, the DSP may seem like a large amount of money. It is not uncommon for teenagers who are eligible for the DSP to drop out of school once they turn 16 in the belief that they will be able to maintain a particular lifestyle on just the DSP payment.

**Prior to the age of 16**, identify practical opportunities to increase your teenager's awareness about the financial realities of daily living expenses, including the costs of maintaining a home and family so that they can make informed decisions about their future.

## Financial Independence / Money Management

### Scary Questions

By the time \_\_\_\_\_ is \_\_\_\_\_ I/he/she will be:

1. Bringing in enough money to support myself/himself/herself (and dependents) in the manner to which I/he/she have become accustomed
2. Making informed financial decisions
3. Managing my/his/her own bank account and financial affairs

### Functional Skills Checklist

Goal	Current Skill Level*	Priority	Plan to start by	Notes (including target dates)
<input type="checkbox"/> Asks for help with finances (information and advice) from appropriate people and agencies	1 2 3 4 5 6			
<b>Personal Budget</b>	1 2 3 4 5 6			
<input type="checkbox"/> Manages personal budget (put together and stay within budget)	1 2 3 4 5 6			
<input type="checkbox"/> Determines anticipated income	1 2 3 4 5 6			
<input type="checkbox"/> Identifies living expenses	1 2 3 4 5 6			
<input type="checkbox"/> Differentiates between needs and wants	1 2 3 4 5 6			
<input type="checkbox"/> Identifies fixed and variable expenses	1 2 3 4 5 6			
<input type="checkbox"/> Sets priorities	1 2 3 4 5 6			
<input type="checkbox"/> Identifies ways to reduce expenses	1 2 3 4 5 6			

\* **Skill Level** (circle current skill level)

**1** Cooperating: Accepting assistance

**3** Consolidating: Practicing a skill

**5** Transferred: Use a skill across situations

**2** Beginning: Attempting a skill

**4** Established: Consistently demonstrate a skill

**6** Full Responsibility for using and maintaining an activity/ sequence

## Financial Independence / Money Management

Goal	Current Skill Level*	Priority	Plan to start by	Notes (including target dates)
<input type="checkbox"/> Plans for unexpected events that may affect income or expenditure	1 2 3 4 5 6			
<input type="checkbox"/> Researches costs	1 2 3 4 5 6			
<input type="checkbox"/> Develops (and modifies over time) a budget for daily living	1 2 3 4 5 6			
<input type="checkbox"/> Analyses personal spending habits	1 2 3 4 5 6			
<input type="checkbox"/> Prepares a budget for a particular scenarios (school formal, car purchase, holiday, a new computer, mobile phone, or big ticket item purchase etc.)	1 2 3 4 5 6			
<input type="checkbox"/> Uses money management software / spreadsheets	1 2 3 4 5 6			
<b>Making informed decisions about purchases</b>	1 2 3 4 5 6			
<input type="checkbox"/> Makes price comparisons	1 2 3 4 5 6			
<input type="checkbox"/> Compares the price of the same product in different stores or catalogues	1 2 3 4 5 6			
<input type="checkbox"/> Compares cost of purchasing 2 small cans of product versus 1 large can	1 2 3 4 5 6			
<input type="checkbox"/> Compares price and quality of brand names to generic/no-name products	1 2 3 4 5 6			

\* **Skill Level** (circle current skill level)

**1** Cooperating: Accepting assistance

**3** Consolidating: Practicing a skill

**5** Transferred: Use a skill across situations

**2** Beginning: Attempting a skill

**4** Established: Consistently demonstrate a skill

**6** Full Responsibility for using and maintaining an activity/ sequence

## Financial Independence / Money Management

Goal	Current Skill Level*	Priority	Plan to start by	Notes (including target dates)
<input type="checkbox"/> Identifies financial savings/expenses associated with purchasing in bulk (single fare bus ticket vs. daily, weekly, monthly multiple use tickets)	1 2 3 4 5 6			
<input type="checkbox"/> Compares costs associated with preparing a home-made/packed lunch vs. bought lunch	1 2 3 4 5 6			
<b>Purchasing items</b>	1 2 3 4 5 6			
<input type="checkbox"/> Exchanges money (cash, EFTPOS, credit cards)	1 2 3 4 5 6			
<input type="checkbox"/> Estimates and receives change	1 2 3 4 5 6			
<input type="checkbox"/> Compiles grocery/shopping lists	1 2 3 4 5 6			
<input type="checkbox"/> Does the grocery shopping (additional information in Home Life Skills section)	1 2 3 4 5 6			
<input type="checkbox"/> Pays board, rent or mortgage	1 2 3 4 5 6			
<input type="checkbox"/> Pays bills	1 2 3 4 5 6			
<input type="checkbox"/> Identifies and contributes/pays utility charges (gas, electricity, water, rates, phone, internet)	1 2 3 4 5 6			
<input type="checkbox"/> Identifies ways to reduce energy use	1 2 3 4 5 6			
<b>Banking Skills</b>	1 2 3 4 5 6			
<input type="checkbox"/> Uses a debit card	1 2 3 4 5 6			

\* **Skill Level** (circle current skill level)

**1** Cooperating: Accepting assistance

**3** Consolidating: Practicing a skill

**5** Transferred: Use a skill across situations

**2** Beginning: Attempting a skill

**4** Established: Consistently demonstrate a skill

**6** Full Responsibility for using and maintaining an activity/ sequence

## Financial Independence / Money Management

Goal	Current Skill Level*	Priority	Plan to start by	Notes (including target dates)
<input type="checkbox"/> Uses a credit card	1 2 3 4 5 6			
<input type="checkbox"/> Uses an ATM card and machine	1 2 3 4 5 6			
<input type="checkbox"/> Remembers PIN number	1 2 3 4 5 6			
<input type="checkbox"/> Withdraws money	1 2 3 4 5 6			
<input type="checkbox"/> Deposits money	1 2 3 4 5 6			
<input type="checkbox"/> Can get information about bank balance	1 2 3 4 5 6			
<input type="checkbox"/> Uses online banking:	1 2 3 4 5 6			
<input type="checkbox"/> Remembers password/PIN number	1 2 3 4 5 6			
<input type="checkbox"/> Pay bills online (BPay)	1 2 3 4 5 6			
<input type="checkbox"/> Locates information about bank balance	1 2 3 4 5 6			
<input type="checkbox"/> Transfers money between accounts	1 2 3 4 5 6			
<input type="checkbox"/> Understands the costs and fees associated with a bank account	1 2 3 4 5 6			
<input type="checkbox"/> Keeps cash secure	1 2 3 4 5 6			
<input type="checkbox"/> Knows what to do if you forget you PIN number or password	1 2 3 4 5 6			
<input type="checkbox"/> Knows what to do if your ATM Card or credit card is lost or stolen	1 2 3 4 5 6			

\* **Skill Level** (circle current skill level)

**1** Cooperating: Accepting assistance

**3** Consolidating: Practicing a skill

**5** Transferred: Use a skill across situations

**2** Beginning: Attempting a skill

**4** Established: Consistently demonstrate a skill

**6** Full Responsibility for using and maintaining an activity/ sequence

## Financial Independence / Money Management

Goal	Current Skill Level*	Priority	Plan to start by	Notes (including target dates)
<b>Banking Etiquette</b>	1 2 3 4 5 6			
<input type="checkbox"/> Understands and uses the process to see a bank teller	1 2 3 4 5 6			
<input type="checkbox"/> Waits in line patiently for a bank teller	1 2 3 4 5 6			
<input type="checkbox"/> Gets a ticket and waits patiently to be called	1 2 3 4 5 6			
<input type="checkbox"/> Identifies the appropriate amount of time to converse with a bank teller	1 2 3 4 5 6			
<b>Bank and other Financial Statements</b>	1 2 3 4 5 6			
<input type="checkbox"/> Reads and interprets statements	1 2 3 4 5 6			
<input type="checkbox"/> Checks credit card statements against payments made	1 2 3 4 5 6			
<input type="checkbox"/> Understands the difference between credit and debt	1 2 3 4 5 6			
<input type="checkbox"/> Maintains accurate and well-organised financial records	1 2 3 4 5 6			
<input type="checkbox"/> Understands the difference between take-home wages and gross wages (tax, superannuation and other direct deductions)	1 2 3 4 5 6			
<input type="checkbox"/> Completes and files yearly tax return	1 2 3 4 5 6			
<b>Legal Obligations</b>	1 2 3 4 5 6			
<input type="checkbox"/> Understanding and meeting legal obligations attached to financial transactions including:	1 2 3 4 5 6			

\* **Skill Level** (circle current skill level)

**1** Cooperating: Accepting assistance

**3** Consolidating: Practicing a skill

**5** Transferred: Use a skill across situations

**2** Beginning: Attempting a skill

**4** Established: Consistently demonstrate a skill

**6** Full Responsibility for using and maintaining an activity/ sequence

## Financial Independence / Money Management

Goal	Current Skill Level*	Priority	Plan to start by	Notes (including target dates)
<input type="checkbox"/> Contracts	1 2 3 4 5 6			
<input type="checkbox"/> Refund and Exchange policies	1 2 3 4 5 6			
<input type="checkbox"/> Obligation free quotes	1 2 3 4 5 6			
<input type="checkbox"/> Instalment payments and lay-bys	1 2 3 4 5 6			
<input type="checkbox"/> Interest and interest-free periods	1 2 3 4 5 6			
<input type="checkbox"/> Warranties	1 2 3 4 5 6			
<input type="checkbox"/> Consumer rights	1 2 3 4 5 6			
<input type="checkbox"/> Insurance	1 2 3 4 5 6			
<input type="checkbox"/> Bank fees	1 2 3 4 5 6			
<input type="checkbox"/> Credit card payments (including fees and interest)	1 2 3 4 5 6			
<input type="checkbox"/> Mobile Phone contracts	1 2 3 4 5 6			
<input type="checkbox"/> Late fees (including returning DVDs late)	1 2 3 4 5 6			
<input type="checkbox"/> Lending money	1 2 3 4 5 6			
<input type="checkbox"/> Borrowing money (formal and informal loans)	1 2 3 4 5 6			
<input type="checkbox"/> Making repayments	1 2 3 4 5 6			
<input type="checkbox"/> Calculating interest	1 2 3 4 5 6			

\* **Skill Level** (circle current skill level)

**1** Cooperating: Accepting assistance

**3** Consolidating: Practicing a skill

**5** Transferred: Use a skill across situations

**2** Beginning: Attempting a skill

**4** Established: Consistently demonstrate a skill

**6** Full Responsibility for using and maintaining an activity/ sequence

## Financial Independence / Money Management

Goal	Current Skill Level*	Priority	Plan to start by	Notes (including target dates)
<input type="checkbox"/> Saving money (long-term and short-term plans)	1 2 3 4 5 6			
<b>Scams<sup>1</sup></b>	1 2 3 4 5 6			
<b>Financial Scams</b>	1 2 3 4 5 6			
<input type="checkbox"/> Identifies and responds appropriately to common financial scams including:	1 2 3 4 5 6			
<input type="checkbox"/> Lottery Scams - where you "win" even though you never bought a ticket	1 2 3 4 5 6			
<input type="checkbox"/> Cold calling investment schemes where a call or email comes out of the blue offering you an investment opportunity	1 2 3 4 5 6			
<input type="checkbox"/> Phishing emails from criminals pretending to be your financial institution and trying to get your personal details	1 2 3 4 5 6			
<input type="checkbox"/> Nigerian 419 scams where you are promised huge rewards if you help someone transfer money out of their country by paying fees or giving them your bank account details.	1 2 3 4 5 6			

<sup>1</sup> The information in the scam section is sourced from the ScamWatch website [www.scamwatch.gov.au](http://www.scamwatch.gov.au). This web site was developed by the Australian Competition & Consumer Commission (ACCC) to provide information to consumers and small business about how to recognise, avoid and report scams. We have included some of the more common scams that are making the rounds at the moment.

As new scams and variations on old scams crop up all the time, please visit the ScamWatch website to stay up to date with the latest information and to find more information about the scams that may target you.

\* **Skill Level** (circle current skill level)

**1** Cooperating: Accepting assistance

**3** Consolidating: Practicing a skill

**5** Transferred: Use a skill across situations

**2** Beginning: Attempting a skill

**4** Established: Consistently demonstrate a skill

**6** Full Responsibility for using and maintaining an activity/ sequence

## Financial Independence / Money Management

Goal	Current Skill Level*	Priority	Plan to start by	Notes (including target dates)
<input type="checkbox"/> Spam (junk mail) scams that usually offer free goods or 'prizes', very cheap products or promises of wealth.	1 2 3 4 5 6			
<input type="checkbox"/> Work from home scams - employment opportunities that promise huge incomes with little work – usually by asking you to transfer money for someone else or recruit new victims.	1 2 3 4 5 6			
<input type="checkbox"/> Guaranteed employment / income scams where scammers "guarantee" you a job or certain level of income, tricking you into paying an up-front fee for a "business plan" or materials.	1 2 3 4 5 6			
<input type="checkbox"/> Up-front payment scams where you are asked to send money upfront for a product or 'reward'. You will end up with something much less than you expected, or nothing at all.	1 2 3 4 5 6			
<input type="checkbox"/> 'Free' offers on the internet where you are offered 'free' website access, downloads, holidays, shares or product trials – but you have to supply your credit card or other personal details.	1 2 3 4 5 6			
<b>Mobile Phone Scams</b>	1 2 3 4 5 6			
<input type="checkbox"/> Identifies and responds appropriately to mobile phone scams including:	1 2 3 4 5 6			

\* **Skill Level** (circle current skill level)

**1** Cooperating: Accepting assistance

**3** Consolidating: Practicing a skill

**5** Transferred: Use a skill across situations

**2** Beginning: Attempting a skill

**4** Established: Consistently demonstrate a skill

**6** Full Responsibility for using and maintaining an activity/ sequence

## Financial Independence / Money Management

Goal	Current Skill Level*	Priority	Plan to start by	Notes (including target dates)
<input type="checkbox"/> Ring tone scams - misleading offers for 'free' or cheap ring tones that end up being a subscription or premium rate service.	1 2 3 4 5 6			
<input type="checkbox"/> Missed calls & text messages from unknown numbers - Missed calls that can lead to premium rate charges. Mysterious text messages that can cost a lot of money if your reply to them.	1 2 3 4 5 6			
<input type="checkbox"/> SMS competition and trivia scams where you are encouraged to enter a competition or trivia contest over SMS for a great prize – but misled about your chances or how much it will cost to take part.	1 2 3 4 5 6			
<b>Allowance</b> (Refer to additional info and advice at the end of this worksheet)	1 2 3 4 5 6			
<input type="checkbox"/> Negotiates and manages an allowance (fortnightly, monthly etc.)	1 2 3 4 5 6			
<b>Other</b>	1 2 3 4 5 6			
	1 2 3 4 5 6			
	1 2 3 4 5 6			
	1 2 3 4 5 6			

\* **Skill Level** (circle current skill level)

**1** Cooperating: Accepting assistance

**3** Consolidating: Practicing a skill

**5** Transferred: Use a skill across situations

**2** Beginning: Attempting a skill

**4** Established: Consistently demonstrate a skill

**6** Full Responsibility for using and maintaining an activity/ sequence

## Financial Independence / Money Management

---

### Negotiating Allowances - suggestions for parents

- Take the time to sit down with your teenager to identify, cost and negotiate what expenses and items will (and won't) be covered by the allowance. Items may include:
  - Entertainment money (going out, movies, DVDs, concerts, music, books, magazines, games, pay TV subscriptions, club fees)
  - Fitness and Healthcare costs (medication, medical appointments, insurance, gym membership, sporting equipment, recreation fees)
  - Clothing and shoes
  - Personal care products (hair cuts, hair products, personal hygiene products, makeup, jewellery)
  - Mobile Phone (mobile phone (a pre-paid or capped service can limit the possibility of getting into difficulty with mobile phone debt)
  - Communication (mobile phones, long distance calls, internet expenses)
  - Electronics (cameras, phones, MP3 players, computer hardware, software and consumables)
  - Transportation (bike, bus, taxi, car costs, petrol, car insurance, bike/car maintenance)
  - Holidays/ Vacations/ Outings
  - Further education and learning (course fees, equipment, textbooks, materials)
  - Pets
  - Gifts (birthdays, special occasions)
  - Charitable donations
  - Savings
- Be consistent and reliable about paying allowances on a set day
- Pay what you can afford, regardless of what other parents or your teenager might advise
- If your teenager gets a certain amount of money to purchase lunch every day or for public transportation, consider adding this to their allowance and have them take the responsibility of managing this expense.
- Consider direct-debiting the allowance into your teenager's bank account instead of using cash. This increases opportunities for your teenager to practice regular banking skills including using an ATM and online banking. It also gives your teen an opportunity to learn that electronic money is more than a set of numbers.
- While parents can provide advice, your teenager should decide how to spend his/her allowance. Let your teenager learn from their mistakes and accept responsibility for their choices. Try not to supplement your teenager's allowance or give payment in advance when they run out of funds. Managing an allowance is about providing real-life opportunities to practice financial decision making.
- Help your teenager establish attainable goals using a personal budget that includes a spending and saving plan
- Consider allocating a separate clothing allowance that is paid quarterly or twice a year, supporting planning skills that take longer term budgeting into consideration as well as increasing decision making skills.
- Include a plan for expenses associated with Year 10 and Year 12 Formal and graduations
- If you elect to link the payment of an allowance to completing certain work or activities, be sure to identify and negotiate what needs to be done and how often so there is no confusion. It is not usually recommended that allowances be tied to basic household chores that you would expect your teenager to do because they are part of the family, not because they are paid. Completing such chores teaches teenagers family responsibility. It may also increase their self-esteem and allows them to see themselves (and be seen by others) as active and valuable participants in others' lives.
- Give your teenager positive feedback for successfully managing their allowance. You might even want to consider giving them a little bonus for their efforts.