




The labor market is tight. However, summer jobs for teens, especially in leisure and hospitality are in demand. While just 35% of teens aged 16-19 participated in the labor market last year, global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc. predicts job opportunities could increase around 5% this year and the teen participation rate could rise as well, according to its 2019 annual outlook. How can you as a parent make the most out of your teen's first summer job? Here are 3 money tips. Don't let an opportunity to make the most of the experience fade away before the new school year starts. ***Celebrate the ?rite of passage? from payout to paycheck.*** Most likely, there's been a long-standing allowance agreement at home. Sure, you taught the basics of save, share and spend early on, helping your child formulate a simple yet impressionable strategy of monetary discipline. It's time to re-visit the discussion. The addition of sweat equity adds another dimension to save, share and spend. Have a ?big picture? talk and explore how take-home pay was allocated.



Are your investments ready for the next bear market?

> Schedule your consultation today

Celebrate the wrap-up of such an accomplishment at a special yet informal setting ? Allow your child to share deeper thoughts around save, share and spend. ***Initiate the ?Level 2, Triple S? protocol.*** No, it's not the title of a new *Mission Impossible* movie. ***It's how Save, Share and Spend takes on renewed relevance in proportion to the past.*** It's the ?Triple S, Level 2? rite of passage. As a child, allocating an allowance or cash for chores, was important. With a summer job, parents and kids make allocation decisions with greater impact. Oh, there's another interested party looking to share in your child's success: It's the IRS. Taxes are now a consideration. As an employee, your child was to complete a W4 form to indicate the correct amount of tax to be withheld from each paycheck. For 2019, **a dependent youth doesn't require a tax return filed if earnings do not exceed \$12,200.**

***Fund a Custodial Roth IRA.*** Working leads to new investment vehicle opportunities. Fund a Custodial Roth IRA with a savings allocation of at least 30% of summer earnings directed into a Roth as a contribution. For 2019, the maximum that can be placed in a Roth IRA is \$6,000. Even invested conservatively, a \$1,500 deposit, earning annually at 4% has the potential to be worth over \$11,000 tax-free by the time your teen reaches 67 years old.

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Time is your child's greatest ally; part-time employment provides the opportunity to jumpstart full-time retirement. ***Start a cash-flow discovery exercise.*** Emphasize budgeting in your discussions. It's crucial children maximize what's left of a paycheck after taxes and savings. Teach kids to make saving a priority and to pay themselves first. It's one of the best financial habits you can instill as parents. Set aside 20 minutes, initiate a ?cash flow discovery? exercise to review expenditures and the overall work experience. A paycheck is exciting. Some kids get carried away and go through what I call an ?independence splurge? where spending increases along with the first paychecks.