



Extension

UNIVERSITY OF WISCONSIN-MADISON

## Bank Accounts for Tweens and Teens

Research shows that how adults manage money can be influenced by their childhood experiences starting as early as age 5 ([Univ. of Michigan](#)). This concept is known as **financial socialization**, which says that parents can have a big impact on their children's financial values, behaviors, and knowledge. This sheet discusses ways parents can provide support as their adolescents take on financial responsibilities.

Having a bank account can be beneficial for a child's financial socialization. Furthermore, when parents open and manage accounts with their children, they can be more likely to have positive attitudes toward personal finance in adulthood ([AFCPE](#), [Societies](#)).



Generally, a custodian--an adult who legally manages and controls the money for the child--is needed for a minor to have a financial account. So, opening a safe, low-fee account with parental oversight could be a way to encourage a child to practice real financial decision-making, which can help them to manage money as an adult.

Before opening an account for their child, parents should ask themselves these questions:

- **How will I introduce a new account to my child?**
- **What responsibilities will my child and I have in managing the account?**

- **What type of account/s should we open?** Payment apps (ex: CashApp, Venmo) allow customers to send money to others. App-based cards (ex: Chime, Greenlight) offer daily spending, withdrawals, and direct deposits. Bank accounts can offer important financial management experience (ex: bill pay). You also can choose to open multiple account types.
- **Does the account offer insurance if the bank or app company goes out of business?** This is called [FDIC or NCUA insurance](#).
- **If opening a bank account, should we open a joint or custodial account?** With a custodial account, in most states, including Wisconsin, the child will become the sole owner at age 18.
- **What account fees, if any, are required?**
- **Does the account offer a mobile app with tools to manage money in the account like budgeting tools, spending limits, savings goals, etc.?**



You can start by exploring options at your current bank or credit union. If they don't offer the account that you'd like, then you can consider other options.

You can talk about how to teach your child about money, and other financial topics, with your county's financial educator. Visit <https://counties.extension.wisc.edu/> for more information.