

Union Yes FCU

Minor and Custodial Accounts

Teach Your Children to be Financially Responsible



Start your children on the right financial path. Open an account for them and educate them about the importance of having credit union accounts and how to save money for the future.

UYFCU offers several savings options for young children to teenagers. In addition to savings accounts we offer Coverdell IRAs (Educational IRAs) and Savings Bonds. Speak to a Representative today about opening an account and how you can save for your children's future.



The best time to teach your kids about saving is now!

The key to success in teaching children about money is to give them opportunities to handle money that are appropriate for their age level and to use those opportunities to guide their behavior in the desired way.

What about an Allowance?

Giving your children an allowance is great way to teach them about the value of money while also teaching them basic money management skills. You can start giving your children an allowance at any age, however kindergarten age could be a great

time to start, as most kids this age will be excited to have some money of their own. The allowance amount you set depends on several factors such as your family budget, personal situation, child's age and maturity level. One suggestion is \$1 for every year of age. (For example, a five year old would get \$5 a week, and that would increase by \$1 each year as they get older.) You can start by sitting down with your children and discuss what things the allowance will cover (i.e., school lunches, toys, entertainment, etc.)

Money Guidelines

Be sure to establish clear guidelines that help develop money management skills such as budgeting, saving, and setting financial goals. For instance:

- When your children ask you to buy them something when you are out shopping, resist buying the item for them-- let them use their allowance.
- Establish some restrictions-- you can have your child set aside a certain amount or percentage for long-term savings and an amount for charity.
- Offer guidance, but let children make decisions and mistakes with their allowances, and don't give them more money if they overspend.
- If your budget allows, you can even let them earn additional money by completing household chores.
- Teach your children that in order to buy something expensive in the future, you need to save today.
- Explain the difference between needs (necessary items) and wants (desires), as this is often confusing to children.

Some additional opportunities to teach good money management skills is to include children in family financial discussions, and let them help out when you are paying the bills (they can help stamp and seal envelopes). This is a good opportunity to discuss good financial habits, such as handling credit cards, balancing a checkbook, and good record keeping. Have them open a savings account at the credit union and show them how savings can grow faster with interest. Money skills unfortunately are not generally taught in schools. So it's up to you to teach your children to become regular savers now, and prepare them for a healthy financial future.

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Teen/Minor Account (Age 12 to 17)

This account is designed for responsible minors and teenagers. This is the perfect way for minors to save for future goals and learn about financial responsibilities. An adult is required to be a joint owner on this account. However, the minor can do transactions on this account on his or her own. This account may also have limited ATM/Debit card and online access with parent approval.

Custodial Account (Under 18)

Also known as the California Uniform Transfers to Minor Act (UTMA) account. This account is opened for the benefit of the minor, and the only person authorized to transact on this account is the custodian. This account provides a way to save for a child and not be taxed on the earnings. (Ownership of this account is the child's and the child is subject to income tax on the earnings if applicable.)

All Minor and Custodial accounts feature:

- A passbook to keep track of balances
- No membership fee
- Minimum balance of \$25
- A quarterly newsletter
- Dividends (Dividends are compounded quarterly and paid on daily account balances of \$100 or more.)

To open a minor or custodial account, visit any branch or call (714)704-2800.

