

**EPISODE 1478**

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[INTRODUCTION]

[00:00:00]

**FT:** So Money Episode 1478, the best ways to teach teens about money with Dan Sheeks, author of *First to a Million*.

[00:00:08]

**ANNOUNCER:** You're listening to So Money with award-winning money guru, Farnoosh Torabi. Each day, you get a 30-minute dose of financial inspiration from the world's top business minds, authors, influencers, and from Farnoosh herself. Looking for ways to save on gas or double your double coupons? Sorry, you're in the wrong place. Seeking profound ways to live a richer, happier life? Welcome to So Money.

[EPISODE]

[00:00:54]

**FT:** Welcome to So Money, everybody. Live from Miami, recording this introduction while looking at the beach, looking out actually at a cruise ship on the water. I'm sitting in my hotel room right now. Doing a little bit of work. Yes, on a vacation. Yes. But you know what? I choose this. I choose this life. Life is good when you get to be in Miami with your best friend, enjoy yourself, and also cater to your So Money podcast. Here we are. I'm really into today's topic. My kids aren't teenagers yet. I will save you a lot of notes during this episode. Our guest is Dan Sheeks. He is the founder of SheeksFreaks, which is a platform that helps teens use specific methods of

saving, earning and investing to help them eventually get this buy real estate, invest in real estate in their early 20s and achieve financial independence at a young age.

Dan is also the author of *First to a Million: A Teenager's Guide to Achieving Early Financial Freedom*. He has a lot of strategies and concepts and mindset shifts for our beloved teenagers and even those in their early 20s. His advice is road tested. He's a high school teacher. He is a dad and we get into it. We talk about allowances versus having jobs. The pros and cons to social media influence as it pertains to learning about money and why Gen Z might be our Savior. I look at my kids, for as challenging as it is, raising them. Sometimes I'm like, "You know what? They're the future." The future, I think is bright, as long as we continue to support them and give them the important tools. So without further ado, here's Dan Sheeks. Dan Sheeks, welcome to So Money.

**[00:02:39]**

**DS:** Thank you. I'm glad to be here.

**[00:02:41]**

**FT:** We are so glad to have you. We're talking about Gen Z and money. If you're a parent in the audience, or a grandparent, or an uncle, or grandparent, and you have someone in your life who is between 15 and 25 and your hope for them is that they will become money savvy, be thoughtful about money, feel empowered around money. This episode is for you. Dan, I couldn't think of a better guest to have with us. Not only are you the founder of SheeksFreaks, which is a fantastic website platform with so much content, success stories, resources for young adults as they are navigating their – just starting out their financial lives or financial education. We have also a new book out, which came out not too long ago, *First to a Million: A Teenager's Guide to Achieving Early Financial Freedom*. First, just welcome to the show. Thanks for everything that you're doing for these young folks.

**[00:03:34]**

**DS:** Thanks. Yeah. You missed one important thing. I'm a high school business teacher. I have been doing that for 20 years. Gen Z is my life. It's what I do all day, every day. Yeah, and by the way, I think you and I are fighting the same fight, right? We're just trying to spread that financial awareness to everyone. I will attest to that. Growing up, I was lucky. Really, it's just luck, like the family that you get dropped into it. Then what they choose to teach you. It has to be conscious sometimes and sometimes not. My parents, I don't think they realize how much attention I was paying to their squabbles around money or the stress that my father would bring home around potentially getting laid off. This was the 90s and tech consolidation happening in his field. So I inherited some of their financial, the good and the bad, I suppose.

I think that's for me, when people ask me like, what's something to know, as I'm trying to teach my kid about money. I try to say like, "Sometimes it's not about sitting down and giving them a book or a lesson. It's just recognizing that they're watching you." So being conscious of that is so important like – sometimes it's important to show the good with the bad, but you're the expert. Tell me where parents should start and we're talking now, specifically teenagers and upwards. These days at least, how do you get your kids attention?

**[00:04:56]**

**DS:** Well, I don't think it's too hard. Today's young people, teens, Gen Z, they have more access to financial information and in an entertaining way, right? When you look at TikTok, and YouTube and Instagram, they have so much available to them to learn about money. I would say the average teen isn't too concerned about their financial future. That's just the way teens are built. But when you can make it interesting and entertaining, which a lot of those different social media influencers out there are doing. By the way, some of them are giving good advice, some of them are not. It's pretty easy to pick their interest and get them on board, having some good money conversations in your house at the dinner table to drive around, to run different errands and stuff like that.

**[00:05:50]**

**FT:** I was reading a statistic the other day that a lot of Gen Zers. The Great Recession of 2008 2009, when they were maybe like the older ones, maybe just nine or 10 years old. For them,

that was an incredibly impactful period in their lives, not because they themselves are going through financial duress, but their parents were. Perhaps they saw their homes go through foreclosure. Perhaps they saw their mom or dad or both lose their jobs. How important is it to expose your kids to the hard stuff that's going on that you may be having a hard time making ends meet? At 15 I feel like they're old enough to get it, but I think sometimes parents do want to keep our kids "protected." What's your thoughts on that?

**[00:06:39]**

**DS:** My thought would be to include them with everything going on in every household is a small business. There's money coming in. There's money going out. There's emergency expenses, things coming out of left field that you didn't expect to happen. Sometimes positive, maybe parents get a bonus from work that they didn't expect. I think, I want to give as many action steps as I can to your listeners. One of the first things I would do as a parent, well, I am a parent, but for your parents out there is to include your teenager, or even younger than that, in the day-to-day activities of your small business, that is your household.

That can look a lot of different ways, having conversations with them about all the different revenue streams that maybe you have coming in, and all the expenses you have coming out. Sit down with them. When it comes time to pay your bills, your monthly bills, and you're on your computer and you're clicking through the websites, have your child, your teenager, click the mouse. Have them actually go in and log into your checking account and transfer the money or pay the bills. That's going to create some questions. The teen might say, "Well, why are we paying this much to that company? That seems like a lot of money?" Well, that's a great conversation to have in the moment, a teaching moment for them.

Including them when looking at all the different accounts you have as an adult. Your retirement accounts, your savings accounts, your checking accounts, your brokerage account, and walking them through the ins and outs and the reasons why you're doing all that stuff. As soon as I say that some parents, I think it a little standoffish, because there are many parents out there, probably not so many of your listeners, but some of them for sure who are a little bit insecure about their own financial literacy, and their own money management skills, because as a nation, we are financially illiterate, because we don't teach people how to manage their money. Even

the parent who is not great with money still knows more than your child who basically probably knows very little or nothing. Every parent has things you can teach your child, even if you're teaching them to learn from the mistakes you're making, so they don't make those same mistakes.

**[00:08:59]**

**FT:** Yeah. I think you're 100% right about the literacy is not just something that has to come from a textbook. That's I think, where schools get it wrong, too. Because schools have this insecurity, teachers, how can I be an expert on money? Why am I being tasked to educate my students around money? I got my issues. I can teach history. I can teach geometry, but money. I think what we often forget is that, well, to your point, just the life experience sometimes makes you an expert. Like the lived experience as I say to my audience. We're all experts. We've all made mistakes, we've all had wins, and that means something that's worth sharing.

I think that to your point too, like the practice of going through the motions of something, whether that is clicking through to your parents bank or – my mother, I remember would take me to the department store to pay off her credit card. This was back in the 80s. So I had no idea what she was doing and she explained. Well we bought some clothes earlier in the month. I'm coming now to pay for them. This card gives me permission, gives me 30 days to come up with the money to pay for it. Okay.

Then years later, my father showing me as an immigrant a lot of times you feel the right to passage in America is getting credit. He had proudly collected over the years, decade's worth of credit cards and debit cards and all of them inactive, but he just love – it was like a museum of like plastic in his office. He would pull out the drawer and that started a curiosity around credit for me and credit scores. Did I become a genius in the moment? No, but I think just having access and exposure to this stuff, because once you're off in college you're off on your own a little bit or a lot. What are some things you want parents to really educate their kids on whether through action or just speaking, before they are “on their own,” whether that's college or someplace else outside the house?

**[00:11:00]**

**DS:** Yeah. There's a few things that I would like parents to do, but you hit you hit the nail on the head. As a parent myself, it's all about teaching your child to manage their own money before they leave the safety of your household, before they go out there on their own, whether that be at college, or wherever they move out of your house. They're at that point, then basically, managing their money, by themselves with input and advice. Hopefully not too much control from the parents at that point, but it's about getting them ready. In schools just don't do that. As you mentioned, it's changing.

Personal Finance, as required class in high school is becoming more and more common, but it's still the minority that get that a class where they have to take that a class. That's a class that I teach in high school that I think every student should have to take, but we're not quite there yet. It's really left on the parents to educate their child about money. One thing I would highly recommend that parents do for their, they should do this themselves, if they don't already, but they should have their teenager do it, is to set them up on some an app. They're free, where they're the teenagers tracking their income and expenses.

The Mint app is a great one. You Need A Budget, is a great one. They're free, and they're actually fun to use. A teenager doesn't have a ton of money coming in and out of their lives, but they have some, right? So we're going to start with those baby steps, where they're managing maybe a few \$100 in their monthly budget, by maybe they have a part time job, or they get an allowance or some other revenue stream. They're tracking that money coming in and the app is also tracking their money going out, the best way to do that is to have a checking account with your teenager.

I also recommend savings account, where they have a debit card, or even an authorized use on a credit card, so that all these electronic digital transactions that the teenagers making, maybe buying themselves lunch or buying something at Target or WalMart, those are automatically going into the app. They're being tracked, so the teenager can then look at their own spending, even when they're at home and say, "Oh, here's how much I spent on entertainment last month. Here's how much I spent on food. Here's how much I spent on clothing." All these really nice pretty pie charts and bar charts are generated by the apps where they can not only compare like month to month, but even year to year, eventually their spending habits.

I think that's actually way more important than creating a budget with a teenager is having them track their income and expenses. That's much more meaningful. Then I think of budget. Budgets are important. I wouldn't say don't have one, but if I had to choose one, I'd have that teenager tracking income and expenses through one of those free apps.

**[00:13:47]**

**FT:** You brought up allowances, you brought up jobs. When you're a teenager, and you're trying to really learn about money, what's better, to get an allowance from parents or to go out there and work? I've seen stats that say the entrepreneurs today, where they a lot of them share in common is they had jobs when they were 15, 16. I think I'm in a job camp, but at the same time you want to make sure that they are not, it's not deflecting from studies and academics and stuff like that. How do you balance that? What do you think are, if you want either or like what are the best ways to practice the allowance and the job?

**[00:14:24]**

**DS:** Yeah. I'll start with a job. I'm also in the job camp. I think teenagers should be working in some way at some point, even if it's just a part time job in the summer, when they're not in school. I had jobs growing up and I thought I think it taught me a lot about understanding the value of \$1. What hard work is? The tradeoff between donating your time to some company and getting paid for that, but the other end of the spectrum would be my wife. She really didn't have any jobs in high school or college. What she did do was she was an amazing soccer player. She ended up getting a full ride scholarship all four years to the university that she attended. She paid for all of her education through the work she did on the soccer field.

Every teenager is a little different, every family circumstances a little different, but even my wife, she did some babysitting here and there. She could still fit that in with her club soccer schedule in the summer and stuff. I think every teenager should have a job at some level at some point, just to understand the value of \$1. What it takes to earn \$1. When it comes to allowance, there's a lot of different mindsets around how to do an allowance and how to organize that with your child or your teenager. To just keep it simple, I would say, don't just give them an allowance for

nothing. Have them have some skin in the game, when it comes to earning that allowance, whether that's taking out the trash, emptying the dishwasher, doing some other chores around the house, maintaining some good grades, have something tied to that allowance, so they feel they're actually earning it. They are, in a way, rather than it just comes to them no matter what.

**[00:16:11]**

**FT:** Every generation has its trip ups in terms of the influences that may not be that great. This generation, I'd say social media and the pressures of trying to keep up with everybody on social media. It's not just the Joneses. It's the Kardashians and everybody that they're seeing virtually. What are some of the challenges that you want families to be aware of when it comes to driving them home the important message around financial literacy to their kids as they live in a world where there is a lot of pressure, there is a there's a lot of distraction. I think we'll get into this later. I'd like to talk about the changing nature of work as they get older.

A lot of Gen Z has a very set mind around how they want to work, it seems. It's different than maybe older generations, and how does that impact their ability to make money and be financially successful. That's for later in the on the podcast, but just curious, because you work with teenagers, and you have kids. When it comes to Gen Z and their distractions, what's getting in the way of their ability to master money at this age?

**[00:17:13]**

**DS:** I think the most recent trend in the last five years, although it's changed for the better in the last couple years is the idea that you can get rich quick. A lot of social media influencers are promoting different tactics and strategies that anybody can do in even teenagers, or young people to get that quick buck or to make lots in the cryptocurrency world and the meme stock world and, the NFT world, and all of this stuff play into that, because some people did make a lot of money, when Gamestop went sky high, and they sold the right time. They were happy to tell everybody about that. They see some of these things happening, but as we all know, those things are just a little bit more luck than anything. You're taking a ton of risk by involving yourself in any of those different strategies.



The tried and true methods that the methods that are proven to work to build wealth. They don't happen overnight. They don't happen in a year or two. I think that is the the biggest barrier right now to reaching young people is to because they're seeing all these tantalizing messages on social media and these different TikToks, where if you do this, or you do that, or you subscribe to this, you can make vast amounts of money very quickly, but telling them no, that's, probably not going to work for you, probably not going to work for anyone. Here's the real way that you should do it, but I will say the good news is, I've seen in my classroom because I'm talking to kids all the time about their views on money.

The last couple years that has changed. I think it was a little bit a result of COVID when they realize that oh, stock market doesn't always go up, it does come down sometimes. Oh, cryptocurrency isn't always going to be skyrocketing and growing at the rate that it was. As of right now cryptocurrency and Bitcoin, they are at pretty low numbers. If you got in a year ago, you're hurting really bad. So they see that these strategies aren't fail proof and that they can lose money, vast amounts of money if they don't pay attention and make some smart choices.

**[00:19:27]**

**FT:** Right. I've had guests on the show who've talked about the meme stocks. It's unfortunate to a lot of young people getting caught up in that. Maybe the silver lining is that they're learning their mistakes earlier in life. Yeah.

**[00:19:41]**

**DS:** There's some truth to that.

**[00:19:42]**

**FT:** Yeah.

**[00:19:42]**

**DS:** I think a lot of young people were caught up in the Robin Hood app, as well, because it made trading so easy. It promoted the day trading mentality, which if we look at statistics, that's not a good way to invest in the stock market. I tell my kids in my classroom, the best way to invest in the stock market is just a low-cost index fund. It is not sexy. It is not exciting. It is actually really boring, but when you do start investing in the stock market, some of my students are already doing that. I tell them, the quicker you can go from where you are now to just index funds, the better.

If you need to play around with some individual company stocks or some mutual funds, before you get there, that's okay. I did that, too. I felt like I could beat the system or I could come up with some strategy where I would beat the average. I quickly learned that I couldn't and people much smarter than me can't. The sooner you get to that boring index fund strategy for 10 plus years, the better. Some of my students will go right there. They'll go straight to index funds. They'll listen to what I have to say. They'll say, "I don't want to mess with anything. I'll just do what you tell me. That's boring. That's fine." Many other students they need to play around a little bit. They need to learn their lessons the hard way, and that's fine, too.

**[00:21:01]**

**FT:** Yeah. There are, I believe, apps that mimic the stock market, so you can play without any risk, and with fake dollars and learn what it means to ride the volatility and all that important stuff. You brought up investing, which I'm so happy you did. Sometimes parents want to invest for their kids through, say a custodial IRA, I'm generally a fan if you can do this, but one part of it that frightens me is when the custodial account transfers ownership to the teenager at around, well, depending on the state. It could be 18, it could be 21 and without the foundation of how to manage money.

I worry about that money getting blown. What's your advice to parents who want to invest on their kid's behalf, maybe starting as young as five, six years old through these custodial IRAs, which you can open through virtually any major brokerage? What should be in tandem with that? What is the education that has to happen so that when they turn 18, they're not spending it all frivolously?

**[00:22:05]**

**DS:** Again, it's a personal choice. I myself am not as big of a fan as those custodial investment accounts setting up a Roth IRA for your child, for example. I'm not as big of a fan of those as some other people, mostly, because I don't think that teaches them anything. You're going to give them some wealth down the road, and that's great. I'm a much bigger fan if you're going to put let's just say \$100 a month into that account for them or they actually have to be earning with a Roth IRA, right? Maybe it's their money, your money going into that account. I would rather appear and spend that money on teaching their teenager about how to manage money, how to use their own money, how to grow their money, teaching them the skills, so that when they do turn 18 or older, and they're starting to have a sizable – relative to them, they have a sizable income, they're starting to earn a regular paycheck, that they are comfortable and confident with what they're going to do with that, rather than just giving them money and then they just spend it all or they do invest in something very risky.

**[00:23:15]**

**FT:** What are some, maybe societal myths about Gen Z that you want to bust? Because maybe we've given them a bad rap, because we see too many headlines that says they're lazy. I feel like Millennials got the same criticisms to play and so probably my generation too, but they're non-conformist, which I think is great, but that they don't want to work the traditional nine to five. They are, because they're on social media a lot. They see the potential of monetizing through TikTok and these other platforms. They want to get rich quick and they think they can. My son the other day said to me, “Mom, can we just start a YouTube channel for our family already and call it a day?” As if that's the solution. He's eight. So I want to hear from you though like, what are the real the beauties of this generation that we really need to cultivate and leverage and support, because they're going to help us out one day. I always say Gen Z is going to save us all if we let them.

**[00:24:13]**

**DS:** I don't disagree with you there. I think the – we don't give Gen Z enough credit is with how incredibly capable and able they are to sift through vast amounts of information and identify that

information as either good information. I'm not sure or that's obviously bad information. So I mentioned earlier we were talking about, there are good social media influencers and there are bad ones. Bad meaning that they are trying to push some a scam or get rich quick scheme that really is just going to make them money and nobody else.

I have found that my students and members of my community by the way that really are much more able to identify the scammy accounts, the ones that are promising too much for too little. They're more apt to or able to recognize that than we would maybe give them credit for. I think that's just because they're so used to consuming so much information in so many different ways that for them, it's natural to put different types into different buckets and actually recognize what the value or lack of.

**[00:25:30]**

**FT:** They have a good BS detector.

**[00:25:32]**

**DS:** Yes, that's it. That's a good way to summarize it. Yes.

**[00:25:34]**

**FT:** Tell us a little bit more about *First to a Million: A Teenager's Guide to Achieving Early Financial Freedom*. When you began writing this book, what was the impetus besides the fact that you just had a lot of knowledge to share from your career and personal life? What was really the lightbulb moment? I got to write this book. I got to get it out there.

**[00:25:53]**

**DS:** That's a great question. I have recognized for a long time, there's a lot of great content out there, books, podcasts, YouTube channels that are teaching the basic personal finance strategies to young people. That's so important, right? That's critical to have that foundation, how to manage your credit card? How to build a good credit score? Checking the savings

accounts, things that that are just basic personal finance strategies, but probably about seven or eight years ago, my wife and I found the early financial independence movement, some people call it the FIRE movement, where you're saving a high percentage of your income, and or investing in passive income streams.

A lot of people choose real estate for that. We went down that rabbit hole and consumed as much information as we could about that early financial independence idea that you can retire before 65. We set ourselves on a path to go down that journey and we have. Today my wife is retired, and I'm semi-retired. We're both in her 40s. Mostly, that's because we chose real estate, investing as our main vehicle to get there, but you could, you could just do the index funds. There are different ways to get to that early financial independence point. So for me, the impetus was, I knew that this was information that most people don't know, most adults don't know, let alone teenagers that just the idea that if you do things differently with your money, and you employ certain strategies, that you don't have to work till you're 65. You don't have to do that nine to five till you're 65 grind.

The book is a personal finance book, but it is much more niche, because it's about educating the reader about the strategies and topics and concepts that you can. You don't need to. You can employ to reach early financial freedom or early financial independence. So when my wife and I were learning that and we saw it working in our lives, and our friend's lives, that we had made in this community. I knew that I needed to write a book that would teach teenagers or Gen Z, about early financial independence, what are the pros and cons.

My book was always about here is the information, but now you decide if you want to use it, because there's nothing wrong with working till you're 65. I just think it's better to have the option of whether not you want to work until you're 65. By giving them the information, things like frugality and high savings rate, passive income, side hustles by just anyone just mindset around money. By giving them those tools, they then can decide, "Yes, I'm going to use this now." Or, "Yes, I'm going to use this, but maybe later." Or, "No, this isn't for me. I'm okay. I will be very happy working 40 to 60 hours a week, until I'm 65." Again, nothing wrong with that, but I just think it's better to have options.

**[00:28:57]**

**FT:** That's such an education in and of itself, because, again, personally growing up. I just thought my path was whatever my parents wanted for me and whatever they modeled, or their friends modeled. It was just that it so happened that the community that we were in, there weren't a lot of entrepreneurs. We didn't talk a lot about investing. It was an immigrant community that largely was risk averse to the extent that like they had taken the big gamble, just getting here and then now they were ready to play it safe, because that was like, they were done gambling their lives.

They had taken the biggest risk, which was coming here. They wanted to play it safe. That makes 100% sense for where they were in their lives. Growing up, I think that was a missed opportunity for me, I think to be able to know, just know, maybe I didn't have to see just to know that there are other ways to build wealth. It sounds like your book is really delivering that promise for its readers.

**[00:29:51]**

**DS:** Yeah. I even have a community, an online community called The SheekFreaks Community where Gen Z people, if they're interested in early financial independence or passive income or frugality, that is a community they can come to and surround themselves with like-minded other young people, because it's a pretty – they are freakish, right? Like that's the theme of my book. The title of the community, The SheeksFreaks, they are very different. If you're young and you are motivated enough to engage in your financial future, to read a book, or listen to a podcast or join a community, you are very different, that is unique.

Most young people, they don't mind learning about money, but they're not ready to take massive action today. My community, where I see these young people come together, share resources, hold each other accountable. We have zoom calls with guest speakers all the time. We'd love to have you on some time, Farnoosh. You would be a great guest for us to have. Then that's fun for me. It's like a classroom, but as a teacher is the perfect classroom, because all the students are engaged and they're super motivated –

**[00:30:58]**

**FT:** They're provided the material.

**[00:31:00]**

**DS:** Yeah. There's times they are, exactly.

**[00:31:01]**

**FT:** Yeah. They're providing the lesson plan. Well, I'm just so appreciative that you're doing what you're doing. So often people come to me, parents wanting resources for their children and this is it. SheeksFreaks, y'all. I'll put the link in our show notes and the book. Dan, thank you so much. I'd be happy to join you on your show. Thanks for spending time with us. Congrats on the book.

**[00:31:23]**

**DS:** Thank you and I just want to throw out if any of your listeners want to reach out to me. The best way to do that is just email [dan@sheeksfreaks.com](mailto:dan@sheeksfreaks.com), weather I have tons of free stuff I can give parents and Gen Zers to help them begin a much better journey with their money.

**[00:31:43]**

**FT:** Thanks, Dan. That's super generous. Appreciate you.

[OUTRO]

**[00:31:47]**

**FT:** Thank you so much Dan Sheeks for joining us. I have all the links to visit his website, grab his book in our show notes. Please keep the questions coming for Friday's episode of Ask Farnoosh. I'll see you back here then. In the meantime, I hope your day is, So Money.

[END]