



Millennials: 3 Money Lessons Your Baby Boomer Parents Didn't Teach You

Description

As a child, you learn a lot from your parents. While a lot of people also learn how to handle their money by what they see their parents doing, the chances are that your lessons seem to end after you move past your teens. Crossing 18 years of age, a lot of people forget that there is still so much to learn from the previous generation.

Handling your finances can be a lesson learned in your childhood, but the essential stuff really comes in your twenties. If you can learn how to handle your financial responsibilities in your twenties, it can do wonders for your life.

Here are some of the most important things about your finances you probably have not learned from your parents yet.

Live below your means

In your twenties, you will likely experience a few good jumps in your career that will boost your salary. Naturally, this will lead to an increase in your spending power. Perhaps, you will get that new TV you had your eye on, or the latest Yeezy shoes. I would suggest that you forget about things like that. Just because you have more money to spend does not mean you should spend more.

Avoiding the trap of lifestyle inflation is one of the most important money lessons you should learn. Use any boost in income as an opportunity to live below your means. Focus on paying off your debts. Just because almost everybody you know might be living with debt does not mean you need to be tied down by yours. Use it as an opportunity to reduce or eliminate yours.

Set a budget for your money

And speaking of living below your means, it is vital to create, and then strictly follow a budget. Every dollar you own can be utilized smartly. Once you create a budget and allocate to all the essential things in life, you will not waste any money left over. Set any extra money you save aside for reaching your

financial goals.

Just in case you were wondering, getting another Fendi lipstick kit does not qualify as a financial goal. Save that money for a rainy day – or better yet, invest it somewhere it will come in handy.

Investing in stocks

Speaking of investing your money, I think the most critical money lesson your parents did not teach you is about the wonders of the world of stock markets. Most millennials, I know, avoid even the idea of investing in stocks like the plague. Millennials barely have any exposure to the stock market, and they think it is too complicated for them to consider.

I think the best place to start investing in stocks is through a safe and reliable stock, such as that of the **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)). Canada's banking stocks are historically some of the best to invest in. CIBC, for instance, has a strong history. It is one of the biggest banks in the country, and it continues to grow as time passes.

The bank's quarterly performance results consistently show positive signs, and it arguably has a very attractive value. Priced at \$113.20 per share as of this writing, [CIBC stocks are cheaper](#) than the other banks in Canada's Big Five. The bank is making progress through a successful transformation into the modern, and digitally driven, world.

The latest quarterly performance of the bank is better, the number of active mobile users increased by 12%, and CIBC's operations in the U.S. is driving higher earnings.

Foolish takeaway

In my opinion, all three money lessons go hand-in-hand to secure a better financial future for you before you even hit your thirties. Living below your means and creating a budget will allow you to save more money. And instead of letting your savings sit as idle cash in your mattress, investing it in stocks like CIBC will enable your money to do work for you.

As the value of CIBC shares increase, so will your total net worth. The fact that CIBC pays [a juicy 5.05% dividend](#) to shareholders means you are looking at extra money in your account as well as the gains in share price. I would suggest seriously considering these valuable money lessons so you can live a more comfortable life later on.

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