

Account Comparison: Minor vs Teen Accounts

UTMA/UGMA accounts and teen accounts are both financial tools designed for minors, but they differ in various aspects. Here are the key differences between the two:

Minor Accounts

Teen Accounts

Legal Framework

UTMA and UGMA accounts are established under state laws. These accounts allow adults to hold and manage assets on behalf of a minor until they reach the age of majority.

Teen accounts regular bank accounts that are specifically designed for teenagers. They are not governed by specific state laws like UTMA/UGMA accounts.

Age Restriction

UTMA/UGMA accounts are available for minors of any age. The age of maturity, when the minor gains full control of the account, varies by state but is usually 18 or 21 years old.

Teen accounts are specifically tailored for teenagers aged 14 to 17 years old. They are designed to help teens learn financial responsibility and gain experience managing their own money.

Account Ownership and Control

UTMA/UGMA accounts are owned and controlled by the custodian (typically a parent or guardian) until the minor reaches the age of majority. The custodian manages the account and makes decisions on behalf of the minor.

Teen accounts are joint accounts, where the parent/guardian and teenager are co-owners. The teenager is the primary account holder on the account. Both the parent/guardian and teen can make deposits, withdrawals, and access online banking.

Financial Independence

UTMA/UGMA accounts do not grant the minor immediate financial independence. The custodian manages and controls the assets until the minor reaches the age of majority, at which point the minor gains full ownership and control.

Teen accounts are designed to promote financial independence. They allow teenagers to have control over their own money, make their own financial decisions, and learn about budgeting, saving, and spending responsibly.

Transition to Adulthood

UTMA/UGMA accounts provide a mechanism for transferring assets to a minor, which they can use for various purposes once they become adults.

Teen accounts serve as a stepping stone to adult banking. They help teenagers learn and practice basic banking skills before they open their own individual accounts as adults.

See the benefits of opening a Carbon Zero teen account

[LEARN MORE](#)