



MONEY WISE

VALUING PEOPLE. VALUING MONEY.
MANAGING IN TOUGH TIMES INITIATIVE



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THIS MONTH'S TOPIC: TEACHING KIDS ABOUT MONEY

Your kids have probably heard the phrase “money doesn’t grow on trees.” If you are open in discussing money with your kids, daily activities can turn into learning experiences. A trip to the grocery or ATM can be a good opportunity to discuss your money values. Explaining the choices you make can help children recognize that money management is a process with decisions and consequences. Also remember to lead by example. Your children are observant and will make better future choices if they see you model good spending habits.

The Concept of Money

Teach small children the different values of the coins and bills we use. Play money games to reinforce the concept. If your school-age child enjoys playing store or restaurant, make it a money lesson by putting simple prices on the items and having customers pay with play money. Many board games and online games also reinforce money value concepts.

Earning

Do your kids know where your money comes from? Talk to them about the work you do and how you earn your income. Give school-age children the opportunity to earn money by helping around the house for an allowance. Consider assigning a set value to particular chores that are at the child’s level of ability. Contact creditors if necessary to delay bill payment. Try to avoid using high-cost credit if possible.

Saving

Young children may need help with the concept of





waiting. Waiting in line could lead to a discussion of why it may be worth it to wait, or save up for, something you really want. Start a piggy bank or jars for savings, spending, and giving at home. Take your child to the bank to set up a savings account and explain that banks pay interest.

Setting a savings goal can be a valuable lesson too. Is there a particular toy your child has been wanting? Experience is an effective teacher. Explain the price and encourage him or her to save up money at home. When the goal is reached, take the child to the store, with cash in hand, to purchase the item.

Budgeting

Explain to your kids that you have bills to pay and show them what that process looks like. By including your children in your household money decisions, you can show them how to be responsible with money and provide valuable learning lessons.

Give your older child budgeting practice. For example, have your son create a budget for a small party. Set a dollar amount you're willing to spend, then allow him to choose how the money will be used. Will you have the party at home, or somewhere else? How many people will be invited? Will there be food or drinks? Will you

have party supplies like balloons? This practice will demonstrate how choices we make change the total cost of the things we buy.

Spending

Let your child help make a few family spending choices. On your next grocery trip, give your child a set amount of your budgeted grocery money and let him or her choose what to buy. For example, perhaps your daughter could choose which fruits to purchase with \$5 in the produce department. Give some parameters based on your meal planning, and help her work through comparing available options and costs. With older children, you also can incorporate the idea that you can't afford everything, so there may be something you must give up in order to buy the thing you want. Reading the store list and clipping coupons are other ways kids can be involved in the family shopping process

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