



Money Matters for Kids

It makes sense that money management skills should be an important part of a child's education, but this is one area where you cannot count on school to do the job for you. More schools are beginning to include money skills in their curriculum, but the "buck stops here" applies to parents. Financial matters are personal matters and parents can take the leadership.

Discussing the family budget with your children, setting reasonable allowance for each child in the family, and teaching your children to manage their money, are life skills that affect you as well as them. It isn't easy and it's time consuming, but it's one of the best things you can do for your child and yourself.

Here are some ways to teach financial responsibility, no matter what age your children are:

Preschoolers

Work on money facts and the concept of trading. Teach children to identify the different coins and bills, where money comes from, and how to make choices with what they have to spend. For example, set up a play toy store at home, or have your child help decide between two items at the grocery store.

Kids ages 6 to 8

Activities should focus on money skills such as setting up a monthly saving goal, managing an allowance, and depositing money in a savings account. They can learn how to make change, look for bargains, and estimate the total of several purchases.

Kids ages 9 to 12

In this age group children can work on smart money habits such as comparison shopping and understanding how a checking account works. Have them set up a weekly spending plan and money diary to help determine their allowance and to help learn goal setting.

Teenagers

At this age, they can get involved in such things as doing research for a major family purchase and creating a budget for things like clothing purchases. It's also a good time to get them involved in learning investment skills and lifelong skills such as opening an account with the electric company, evaluating a rental agreement, and the difference between buying and leasing a car.