



TEACHING CHILDREN ABOUT MONEY

To teach a child to invest and use is better than to teach him to save. —Henry Ford

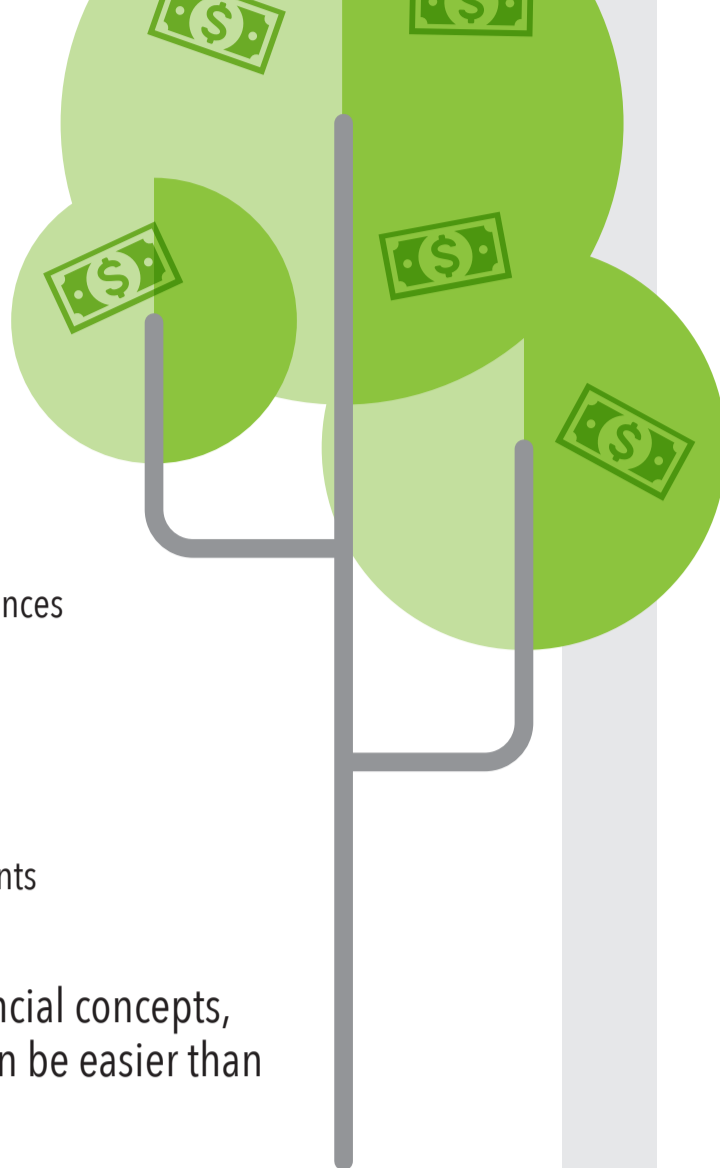
LEARN

"Money doesn't grow on trees!" generations of parents have exclaimed while trying to teach children the value of a dollar.

Parents who are reluctant to discuss finances with their children*

Kids who discuss money with their parents more than once a month*

Helping children learn basic financial concepts, such as budgeting and saving, can be easier than you think.



What are some keys to raising money-smart kids?



OWNERSHIP



ACCOUNTABILITY



CONSISTENCY

How do I teach ownership?

86%

of parents report that their kids ask them for money*



97%

of those parents give their kids money when asked*

Other people's money feels like an endless supply and is easy to spend recklessly. Children need their own money to learn how to manage it. Children can earn money by



- getting good grades
- doing chores
- receiving an allowance

What is accountability?

Parents provide the basics—food, housing, and clothing. Children provide extras—toys, treats, and games. They learn, through trial and error, to be financially accountable to themselves while the stakes are low.



How does consistency apply?



Decide with your children how and when you will provide allowances, rewards, and payment for chores so they can plan their spending and increase their income. Resist giving in to demands for treats and extras. Consistency helps children own their choices and be accountable to themselves.

DO

Talk with your children about money



A 2014 SURVEY FOUND**

18%

of 15-YEAR-OLDS

Have not learned fundamental financial skills, such as

- build a simple budget
- comparison shop
- understand an invoice

Let your children help you pay the bills, budget for a grocery trip, or plan a vacation. They will learn that financial wisdom means making choices to achieve a desired result.



Provide your children with age-appropriate amounts of money

Allow them to earn money. Help them set goals to save money. Don't interfere when they make unwise choices.

Create a consistent system

A weekly allowance, a la carte chores—you choose how to give ownership and control over your children's finances. Adapt as needed, but keep the method consistent for all. A limited but consistent supply of funds will help them make their money work for them.

Percentage of teens who report they learned about money from their parents. ***

88%

TEEN BOYS

80%

TEEN GIRLS



Remember that children are unique

Your children may manage their finances differently from one another and from you. Just as each adult has a different style of managing finances, each child does too. Apply the principles of ownership, accountability, and consistency. Teach your family's values by example as you work, save, give, and invest, and let them learn as they grow.



Resources

Forbes, "The 5 Most Important Money Lessons To Teach Your Kids"

The Simple Dollar, "How to Teach Kids About Money, from Toddlers to Teens"

Parents, "Teaching Kids About Money: An Age-by-Age Guide"

MyMoney.gov, "Resources for Youth"

T. Rowe Price, "Money Confident Kids"

* "2019 Parents, Kids & Money Survey Results," Money Confident Kids Presented by T. Rowe Price, accessed May 1, 2020, <https://www.moneyconfidentkids.com/content/mck/news-and-research/research/2019-parents-kids-money-survey-results.html>.

** "Facts About Youth Financial Knowledge & Capability," U.S. Government Youth Topics, accessed May 1, 2020, <https://youth.gov/youth-topics/financial-capability-literacy/facts>.

*** "Financial Literacy Statistics," Junior Achievement-Rocky Mountain, accessed May 1, 2020, <https://www.jacolorado.org/financial-literacy-statistics>.

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