



Summer: Great Time to Teach Kids About Money

Teaching your kids now may be the best gift that you ever give them

A four- or five-year-old child may seem too young to grasp the concept of money management, but even at an early age, children waiting in a supermarket checkout line can see that money buys things. Therefore, it is important to begin as early as possible to help your child understand the value of money.

Here are some suggestions for introducing a young child to the world of finances:

- **Include your child in financial transactions.** If possible, have your child with you when you pay bills. Explain comparison shopping at the grocery store. Include the whole family in decisions about whether to purchase significant items.
- **Give your child an allowance to manage independently.** A weekly allowance for necessary expenditures and some discretionary funds can help provide a learning opportunity. However, an allowance should be given with the understanding that certain chores are part of being a member of the family.
- **Create opportunities for your child to earn extra cash for special events or personal items.** Explain the difference between whims, wants, and needs; give your child regular opportunities to save; and describe how to earn money.
- **Demonstrate the importance of giving.** Explain how money can also be used to help others.

Teaching your children the fundamentals of sound money management now may help them build a financially independent future.

Teach Your Kids to Fish

Most parents want to help their children financially, but not by forking over cash with no strings attached. Use monetary gifts as a teaching opportunity. Teaching your children to be smart savers could be the best gift that you ever give them.

Lessons in financial responsibility may not be as much fun as large, lump sums of cash, but they are significantly more valuable. We have all heard the old proverb, “Give a kid a fish and you feed them for a day. Teach a kid to fish and you feed them for a lifetime.”

Don't just give your kids fish – teach them to fish.