

Teaching kids to manage money

Good money management habits start early. In fact, even preschool age children can begin to learn about money and how to use it responsibly. Parents and caregivers have the power to teach children about proper spending, saving and sharing from a young age.

Preschool age

- Use play money to “buy” items.
- Teach children about work. Tell them how your job helps you pay for things like food and clothes.
- Take them to the grocery store and talk about what items cost.
- If children get money for a birthday or holiday, have them put it in their piggy bank instead of spending it right away.

School age

- Discuss the prices of items while shopping. Show your kids your shopping receipts and explain how much items cost.
- Have kids help you clip coupons and talk about how much you can save.
- Open a savings account for your child.
- Consider giving an allowance for chores. Talk to them about saving their allowance to buy something later, rather than spending it all now.

Teenagers

- Show your teen how to balance a checkbook.
- Discuss responsible credit card spending and avoiding credit card debt.
- If your teen has a job, talk about taxes and help them fill out their income tax form.
- Explain how automobile and health insurance works.

Don't feel pressured to give your child a complete course in finances. Children learn by watching others, so setting a positive example for spending and saving is a great way to teach.

Source: University of Minnesota Extension

