



KIDS AND MONEY

Objective	Activity Instructions	Ages
Demonstrate importance of tracking spending and savings.	When children get a job outside the home, discuss the responsibility and financial risks, your expectations about how the earnings will be used, and the level of support you will provide (i.e., taking them to and from work). Monitor the progress. As children move towards self-sufficiency, gradually withdraw support. Help children set up an earnings record book to keep track of earnings and expenses incurred. Explain the break-even point and when they are making a profit.	15+
Discuss the values of giving, saving and spending.	Make three boxes labeled Give, Save, Spend. Have them divide up their allowances in the three boxes each time they receive their money.	7+
Discuss the benefits of comparison shopping and clipping coupons.	“Who wants to be a saver?” Give children the grocery list for the week with a pre-determined budget amount. If they can get all the items on the list and come in under budget, they get to “bank” the difference in their savings. This can be applied to other purchases as well; for bigger items you may want to have them comparison shop to find the best deal and let them keep a portion of the savings.	7+
Discuss importance of allocating funds, setting priorities, and determining wants vs. needs.	Label envelopes with expenses likely to be incurred for the week (i.e. “lunch,” “refreshments,” “miscellaneous”). Give them a set amount of money each week and divide it amongst the envelopes. Explain that when the money in one envelope is gone, they’ll either have to do without until next week, or take money from another envelope.	12+
Encourage smart shopping strategies.	Put money in a coin purse and let the child pay for one item when you shop. If age appropriate, specify the item to be purchased and have the child clip a coupon to help pay for it.	6+





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Encourage responsibility and valuing money.	Buy a see-through piggy bank. Let them drop in some coins and see the money grow.	3+
Encourage responsibility and valuing money.	Assigned children unpaid tasks to encourage responsibility for the household operations such as picking up after themselves and loading the dishwasher. Additional tasks (weeding the flower beds, mowing, dusting or other activities you would pay someone for) over and above normal tasks, can be used to earn money. Children should then be encouraged to use their earned money for things they want – a toy or a book etc.	7+
Demonstrate the responsibility of paying bills on time and prioritizing such expenses.	“Can you hear me now?” These days, children are asking for cell phones at young ages. Explain to them that having a cell phone is a privilege, not a right, and that they are not free. If you agree to give them a cell phone, make it under the condition that they will be responsible for sharing the cost. From the example above where children are paid for “additional tasks around the house,” they can then use this money to either pay \$X for the cell phone (agree on an amount) or spend their money in other ways. Remind them that paying for this cell phone will require that money may be taken from other categories such as savings that they are working toward. Help them prioritize.	7-14; It is understandable that as children reach the driving age you may require they have a cell phone at all times. You can determine if you want the child to pay for the cell phone or if you will provide it to guarantee they have one.
Provide structure and encourage saving behaviors.	Financial Contract: Research has shown that written contracts provide children the structure they want and need. A contract tells a child what to expect (i.e. parent contributes interest) if he/she follows a certain behavior (i.e. saving money). Use the sample contract within this book as a starting point to encourage your children’s saving behaviors. By paying “interest” on the money your child has saved, you’re positively reinforcing their behavior and you’re also making them responsible for reminding you by a certain date.	7+
Additional information on kids and money	See MoneyBunny.com for more information and resources for teaching kids about money.	All ages

Money Management International is the largest nonprofit, full-service credit counseling organization in the nation. We are dedicated to providing strong community education and in-person counseling within the local markets in which we operate. Our success is measured by the number of people who, due to our help, successfully regain control of their financial lives and achieve their goals.

