



Children and Money

Children learn how to manage money by observing their parents, learning at school, watching TV and even from their friends. With the right information and a little commitment, parents can make a big difference in preparing their kids for the financial challenges they will face as adults.

With younger children you can:

- Help them understand the difference between needs and wants.
- Show them that money comes from working and everybody has a job. (A child's job is to learn things, play, and participate in the family.)
- Teach young kids to recognize a coin's value. (For example, a nickel is worth less than a dime, even though it's bigger.)
- Give them an allowance so they can make decisions about how to spend.
- Show them the benefits of savings and how they can grow their money.

As your children get older, help them understand:

- How the family's budget works and let them have input in it.
- That you will not be advancing them money. This is spending outside of their means and setting the stage for future financial problems.

- How credit and interest work and that using credit can be very expensive.
- That they can purchase bigger ticket items by saving for them.

Having a spending plan and sticking with it is the best way to teach our children how to be responsible with money.

Some Fun and Educational Websites that Can Help

www.sesameworkshop.org/initiatives/literacy

Click on the "Talking Cents to Our Children" workshop for some good tips that help parents introduce financial basics in ways that are simple, age appropriate and fit into the daily activities.

www.funbrain.com/cashreg/

Fun games to help children learn to add and subtract money.

<http://newstudentcenter.ja.org/Learn/Pages/LearnaboutMoney.aspx>

Junior Achievement Center provides online guides to help older children learn to budget and save.

<http://pbskids.org/itsmylife/money/index.html>

PBS website covers topics including making money, spending money and managing money.



An Educational Message from



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