

Teaching Your Child About Money

From giving your toddler a piggy bank to helping your teenager learn to balance his checkbook, there are many things you can do as a parent to teach your children the value of money and how to use it responsibly. It is vital to impart a sense of fiscal responsibility to your child at an early age.

Kids are constantly bombarded by advertisements that tell them to “buy.” Many children learn that by continually asking their parents for favorite foods, hot new toys, and other items, they eventually get what they want. In establishing this pattern, children run the risk of becoming increasingly frustrated as they mature into adults who cannot always immediately afford what they want.

Parents have many opportunities to teach simple lessons about money that can last a lifetime. These lessons will help them achieve financial independence once they are old enough to live on their own.

Teaching Tips

- › Establish a weekly allowance.
- › Be consistent by paying on time after the chores are done satisfactorily.
- › Talk to your child about saving and spending in simple language that relates to his experience.
- › Introduce budgeting skills.

Create Family Savings Goals

- › Without getting too technical, involve your kids in budgeting discussions. Establish financial goals (e.g., a new TV; a summer vacation) and get your children excited about mom and dad saving along with them.
- › Buy educational DVDs and computer software on money.
- › Teach the value of giving and sharing.
- › Compliment and applaud your child when she saves or donates money.

Remember that, though there are many ways to teach children the value of money, the best way is by setting a good example as a financially responsible role model.

Additional Information

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