

How Can We Teach Children to Manage Money?

Allowances

When:

1. begin during early elementary school
2. be consistent and give on the same day each week

How much:

1. Enough to purchase + spend; less than the cost of some items, to ensure saving
2. Increase the amount of allowance as children mature into middle school. Schedule a family discussion to determine what costs will now be covered by allowance, e.g., lunch, gifts, entertainment, etc.. Make sure everyone has the same expectations!

Extra Cash

When:

Allow your child to earn extra money of performing tasks outside of regular chores.

How much:

Make pay scale and job completion expectations the same as you would for a neighbor child

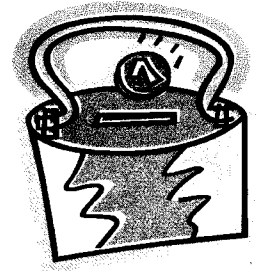
Loans?

When:

1. Was there an unusual or unpredictable expense?
2. If so, you may decide on an advance with a clear repayment schedule

How much:

Repayment should include interest



Raise savvy consumers:

When

Be mindful of demonstrating responsible money management to your children from the time they are very young

How:

1. Allow unwise purchases (outside of violations of family morals or values) for the benefit of the natural consequences
2. Discuss marketing strategies & fallacies at a level your child can comprehend
3. Model and engage older children in the decision-making process for planned purchases
4. Experience is a wonderful teacher!

