

Money Talks for Children & Teens



How many of us look back on our childhood and wish we would've been taught more about money? A lot of people graduate from college without any idea how to manage their money or balance their bank account. Maybe you were one of them.

Now that you've learned more about managing your money right, you want to help your children not make the same mistakes. So how do you change your family tree and teach your children about money? It all depends on their ages.

Make Talking About Finances Part of Your Family Routine

Deuteronomy 6:6–7 tells us, “These commandments that I give you today are to be on your hearts. Impress them on your children. Talk about them when you sit at home and when you walk along the road, when you lie down and when you get up.”

God calls us to instruct our daughters and sons in the most organic ways, as a part of our everyday lives. While the passage specifically calls the nation of Israel to love God with their whole hearts, souls, and strength, this method can apply to all wisdom we hope to pass down to through our families—including finances.

Kindergarten/Elementary

1. Use a clear jar to save. The piggy bank is a great idea, but it doesn't give kids any visual. When you use a clear jar, they see the money growing. Yesterday, they had a dollar bill and five dimes. Today, they have a dollar bill, five dimes and a quarter! Talk through this with them and make a big deal about it!
2. Set an example. Little eyes are watching you. If, at the end of every month, you and your spouse are arguing about money, they'll notice. Set a healthy example for them, and they'll be much more likely to follow it when they get older.
3. Show them that stuff costs money. You've got to do more than just say, “That pack of toy cars costs \$5, son.” Help them grab a few dollars out of the jar, take it with them to the store, and physically hand the money to the cashier. This simple action will do more than just a five-minute lecture.

Tweens

4. Show opportunity cost. That's just another way of saying, “If you buy this video game, then you won't have the money to buy that pair of shoes.” At this age, your kids should be able to weigh decisions and realize that each decision has a consequence.
5. Give commissions, not allowances. Don't just give your kids money for breathing. Pay them commissions based on chores they do around the house like taking out the trash, cleaning their room, or mowing the grass. This will help them understand that money is earned—it's not just given to them.
6. Stress the importance of giving. Once they start making a little money, be sure you teach them about giving. Eventually, they'll see how giving doesn't just affect the people they give to, it affects the giver as well.

Teenagers

7. Give them the responsibility of a bank account. By the time your kid is a teenager, you should be able to set them up with a simple bank account if you've been doing some of the above all along. This takes money management to the next level, and it will prepare them for (hopefully) managing a much heftier account balance when they get older.
8. "Help" them find a job. Teenagers have plenty of free time—fall break, summer break, winter break, spring break. If your teen needs money (and what teen doesn't need money?), then help them find a job. Who knew that working was a great way to make money?
9. Teach them the danger of credit cards. As soon as your kid turns 18, they will get hounded by credit card salesmen—especially once they're in college. If you haven't taught them why debt is a bad idea, they'll become another credit card victim. Kids growing up in this decade know less and less about physical money, and more about the ease of virtual spending. This conceptual shift requires a more deliberate effort by parents (and youth leaders and other adults) to teach them about personal finance: managing money well, living within limits, and avoiding the traps of emotional spending.

"Celebrate what you want to see more of." In the realm of money, that looks like taking note of little habits being built. Even in the early days of toddlerhood and preschool, recognize kids' generosity, not just with money but also with their most prized possessions. When they'd work hard in elementary school, reward them. And now, as they learn the important lessons of delayed gratification as tweens and teenagers, party it up!

It's going to take an investment of time on your part, and it won't always be easy, but if you want your children to understand how to successfully manage their money when they get older, following these guidelines will be completely worth it. If you don't teach your kids how to manage money, somebody else will. And that's not a risk you want to take.