

## How to Talk to Your Kids About Money



How soon is too soon to talk to your kids or grandkids about money? If they are old enough to ask for a toy or a bike, they are old enough to start learning financial lessons that will last a lifetime.

The best financial lessons are part of everyday experience. Look for opportunities to talk about money, read books aloud and play games that center around spending money wisely. Be open and honest when you discuss your financial experiences—good or bad.

### Here are some examples of teachable moments to help you get started:

#### At the Bank

When you go to the bank, bring your children with you and show them how transactions work. Get the manager to explain how the bank operates, how money generates interest, and how an ATM works. Ask for a tour—be sure to ask to see the vault.

#### On Payday

Discuss how your paycheck is budgeted to pay for housing, food, and clothing, and how a portion is saved for future expenses such as college tuition and retirement.

#### At the Grocery Store

It's easy to give clear examples of “needs” and “wants” using different kinds of foods at a grocery store. Milk (for strong bones) is a need; soft drinks are a want. Explain the benefits of comparison shopping, coupons, and store brands.

#### Chores and Allowances

Assign chores based on their age level and give each a monetary value. Discuss ways to budget and divide allowances. Encourage children to set a financial goal, such as saving for a bike, and figure out how to achieve it.

#### Paying Bills

Explain the many ways that bills can be paid: Over the phone, by mailing a check, or online. Discuss how each method takes money out of your account. Be sure to cover late penalties, emphasizing the importance of paying bills on time.

#### Using Credit Cards

Explain that credit cards are a loan and need to be repaid. Share how credit card statements come in the mail monthly. Go over the features of different cards: ATM, debit and credit cards.

#### Browsing the Internet

While online, explain to your children how valuable their personal information and privacy is to you and to online predators. Discuss the risks and benefits of sharing certain information. Then, as a family, make a list of rules for keeping personal information safe online.