

TEACHING CHILDREN ABOUT MONEY

Michael and Olivia's Story

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When times are tough, managing the family budget is everyone's responsibility. As parents, our instinct may be to shield our children from the family's financial struggles, but involving your kids can help them build a sense of responsibility and teach them how to avoid making money mistakes.

Michael's daughter, Olivia, stood at the stove stirring a pot of noodles. Michael, a widower, had asked Olivia to keep an eye on dinner while he looked through the mail and paid the bills. At age 12, Olivia didn't like having to take on adult responsibilities like cooking and doing the laundry, but it gave dad a break because he worked more than one job since mom passed away a couple of years ago.

Today Olivia needed to help her father as much as she could, because that always put him in a good mood. She had a school dance coming up and she wanted to buy a new dress for it. Bryan, the boy she liked, had asked her to meet him there and she wanted to look her best. She needed to ask her dad for the \$40 the new dress cost, but she hesitated because he always got a little defensive when she brought up money.

Olivia wandered into the dining room to talk to her dad. The dinner table was barely visible through the pile of folded papers and unopened envelopes. Her father was hunched over the calculator with his head in his hands. "Dad?" she asked.

He jumped and cleared his throat. She didn't miss how he quickly wiped his eyes with his shirt so she wouldn't see. "What is it, Olivia? You're supposed to be cooking dinner."

"I am, I just checked on it. I have something to ask you —" She stopped. He tried to hide it, but his eyes were red and puffy. "Dad, what's wrong?"

Michael smiled and shook his head. "It's nothing, honey. It's adult stuff. You don't need to worry about it. What do you need?"

Olivia looked at the bills and shrugged. "Never mind," she said, and walked back into the kitchen. She sighed to herself and decided she'd just wear the old dress her mom got her. Maybe she could fix the hole in it.

Later that afternoon, Francesca, Michael's mother-in-law, stopped by to join them for dinner. Francesca could tell by the tension during dinner that Michael was trying to hide his frustrations for Olivia's sake. As Olivia ran upstairs to finish her homework, Francesca looked at Michael and said, "What's wrong? You barely said anything during dinner."

He said, "I don't know what to do. On top of losing Isabella, I'm finding it hard to make ends meet without her income. Even with two jobs and the help you've given us, I'm still struggling to keep the lights on."

"We've all been there," Francesca said. "Sometimes hardships come your way, but you just have to make the best decisions you can and keep trying. I knew your parents and they could stretch a dollar with the best of them. Didn't you learn anything from them?"

Michael shook his head. "No, we never really talked much about money." Suddenly, he remembered the earlier conversation with Olivia. Maybe understanding money wasn't just for adults. If his parents had taught him about money when he was young, maybe he wouldn't be struggling now. Right then Michael made a plan to start teaching Olivia about managing money and setting up a spending plan.

For children to grow into successful adults, it's vital for them to learn how to handle their money. It also helps them to see real world money management scenarios to make better decisions with their own money as adults.

Try these fun ways to get your child to start thinking about money!

Even young children can begin learning how to manage money. This activity is a great way to spend quality time with your kids and help them think about money in a positive way.



1. Start by labeling three jars: Spend, Save and Share.
2. Then, explain to them why it's important to put some money away for a rainy day.
3. Next, have them look online or in newspaper ads and magazines to cut out or print images of things they'd like to spend money on and things for which they'd like to save their money to buy later.
4. Add the pictures to each jar.
5. Make a list of savings goals with your children and attach it to the jar.
6. Talk about why we share our money. When family, neighbors or members of our community have a problem, how can we lend a helping hand?
7. Consider donating money in the share jar to a charity that will allow you to volunteer or take a tour of their facility — like your local food bank — so your child can see how the donation will help others.

More ideas to help kids learn money management principles:

- ▶ Toddlers can begin learning to sort coins.
- ▶ Open a savings account starting around age eight. The **Oklahoma 529 College Savings Plan** is a great way to get a head start on saving for college.
- ▶ Teach older children to budget using their allowance, birthday money or any income they might receive when they're old enough to start working. Be sure to emphasize that putting money in their savings account first will ensure they'll have money to meet their savings goals.
- ▶ Utilize board games — like Monopoly — or online games that teach good money habits for all ages. Here are some great suggestions:
 - ▷ **BizKids Games**
 - ▷ **US Mint Kids**
 - ▷ **Cash Puzzler – Ages 3-6**
 - ▷ **Peter Pig's Money Counter – Ages 5-8**

For more information on teaching your children about money, check out OklahomaMoneyMatters.org.