

Set Positive Money Management Examples for Children

Money takes on a new meaning when there are children in the family. Parents realize the added pressure on the family's income to cover more wants and needs. They also feel and express a concern for helping their children develop healthy, positive attitudes about money.

Money Habits Learned Early

Attitudes and habits about money are learned at an early age. Very young children begin to learn about money by observing how their parents feel about money and react to it. They notice whether parents argue or discuss calmly how money is to be spent, who pays the bills, and who keeps the records. This role as a child observer will be a subtle but significant influence on how a person feels about money throughout life.

How can parents teach their children so money will be a positive factor in their adult lives? Here are some tips:

Set a Good Example

Actions speak louder than words in forming attitudes about money, so set a good example. Is money used in the family by parents as a bribe, reward or means of control? Are material goods craved? Is there an effort to keep up with the Joneses? Is more emphasis placed on the cost of a gift than the feeling of giving it? Since children are masters at spotting inconsistencies when parents say one thing and do another, be sure to practice what you preach.

Use every opportunity possible to teach smart shopping. Help children learn to read labels, to ask clerks questions when they do not find information they need on labels, and to recognize a good buy. Take them with you when you shop. Explain why you choose to buy one item over another. Then offer guidance and suggestions when children are doing their own shopping. But remember the final decisions are theirs when they are spending their own money.

Set a good example in the use of credit. Credit involves responsibility as well as privileges, so be sure to pay debts promptly. Because credit is for many a part of living, avoid making children afraid of it. Help them view credit as a tool that needs to be used responsibly. If children have to borrow from their parents to meet unexpected expenses, set up a definite repayment schedule to give them some practical experience in using credit.

Put Them "In the Know"

A recent study indicated that there is much less fighting about money in families where financial matters are openly discussed. Help children develop a general understanding about the family's financial picture by allowing them to know the source of the family's income and a general "ballpark" amount figure. Most children don't want all the details of their family finances but they need to know the family, as a family, is secure. After all, family stability is probably the most important fact in their lives.

Answering your children's questions about the family's finances may be a lot like answering their questions about sex: answer the questions but don't repeat the whole book when a simple sentence or two will do the job. Ask yourself what it is they really want to know, then answer that question; but don't burden them with details they can't understand.

To learn more about children and money request from your University of Nebraska–Lincoln Extension office a copy of the NebGuide “Teaching your Children about Money” (G1787) or visit the web at <http://www.ianrpubs.unl.edu/epublic/pages/publicationD.jsp?publicationId=890>

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References:

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Written by Debra E. Schroeder, Extension Educator

Reviewed by UNL Extension Educators and Specialists