

Hands-On Helps (Ages 5-8)

Young children need and enjoy concrete manipulatives – objects such as coins, piggy banks and small household products – to understand what money is used for.

Activities:

- **Saving:**

Open a bank account with your child and give them the tools to keep track of deposits and withdrawals. Using cash, not debit cards or checks, to buy items helps children understand the exchange concept at this age.

- **Sharing:**

Start a scrapbook or collage that focuses on issues your child is interested in: a love for animals, curiosity about the homeless or passion for the arts. Developing a strong sense of natural values will help long term planning.

- **Spending:**

Choose an item your child uses or consumes (cereal, juice, shampoo, etc) and have them keep track of how much it costs. Determine an amount to be spent on that item and allow your child to keep the difference when they find a bargain.

The Industrial Ages (Ages 9-12)

At this age children naturally begin to develop a sense of industry, so it is an important time to get started. Children are still turning to parents for authority but also recognize the importance of community. They want to be informed and are still willing to be shaped.

Activities:

- **Saving:**

Encourage your child's entrepreneurial spirit and provide incentives for them to save a percentage of money they make into their savings account. A matching incentive is good training for the 401k match they may be offered by future employers.

- **Sharing:**

Provide your child opportunities to pursue charitable interests by volunteering and/or making monetary contributions. Communicate that time and money are both valuable assets to beneficiary organizations.

- **Spending:**

Discuss needs versus wants when shopping. Model smart purchasing by avoiding impulse buys. Require your child to use allowance for certain "want" items.

Independence Days (The Teen Years)

Teenagers begin to search for and define identity independently from parents. Scary, yes. But a strong base of positive financial experiences will help them understand the new risks and rewards they will encounter as their choices and decisions become more complex. Children are increasingly able to think abstractly at this stage.

Activities:

- **Saving:**

Determine a certain amount of their savings/earnings to start investing in the market. Work with a financial planning professional.

- **Sharing:**

Encourage social entrepreneurship: a bake sale to raise a sum of money for a cause, coordinating a group volunteer event for peers, collecting clothing items for a shelter.

- **Spending:**

Require a working budget before any allowance is paid.
A part-time job is particularly important at this age.

And a few more:

Milestones for teenagers to complete themselves, with help where needed from parents or other financial mentors:

- File tax return if working
- Develop budget for college detailing cost categories: room, board, tuition, books, leisure
- Follow news on the economy, focusing on certain themes

Special for 16 and up:

- College is a perfect opportunity to get them directly involved in the costs that will take place over the coming years. Start by developing a spreadsheet of college costs together to demonstrate what will be added to what is already spent on their support.

Put Your Financial Planner to Work:

- Have your child attend meetings every once in awhile. Although most of the language will be over their head, this is good modeling and it can spark curiosity in a way that sets them up for future research and learning

Creative Documentation:

- Start a file/scrapbook tracking their financial lives. Maintain different sections for spending, saving and sharing. This tool encourages children to develop interests by cutting out articles, drawing, writing, etc. It also allows them to remember what might have been a purchase/action with which they weren't pleased and learn from that experience.