

# It's never too early to teach kids about money

**Our children are still young (ages 4 and 6) but we want to teach them good money management practices that will last a lifetime. What can we do now and over the next few years to give them a good, solid base?**

Your instincts are right on the money: You can't wait around until your children are college-bound and suddenly hope they will be able to master financial management skills overnight. It takes years of learning by example and experience for children to grasp concepts of how best to handle money.

The first thing to do is to be sure you model good money management behaviors. As you probably already realize, your kids are more influenced by what you do than what you say. That's as true with family finances as it is for everything else. If you're a spendthrift who whips out your credit card at every whim, you're teaching your children a very different lesson than if you're a careful shopper who consistently stays within a budget.

To find credible resources to help you teach your children basic money skills, start at <http://www.extension.org>, where Ohio State University Extension, along with other universities in the Cooperative Extension System, offers a wealth of information about financial management. Click on "Family," then "Personal Finance," then "Children and Money." Another good resource is the nonprofit credit counseling agency, Money Management International, which offers



sound financial guidance for people of all stages in life on its website, <http://www.moneymanagement.org> (see <http://bit.ly/youthmny> for its Youth and Money resources). Some basic tips include:

- Use trips to the grocery store to teach kids about comparison shopping. By shopping with a list, you'll teach them that sound preparation can help save money.

- Look for other teachable moments: When you get change at the store, count it out to help your young children recognize various coins and their values. When you take money out of an ATM, explain how you had deposited money in your account beforehand, and how to keep track.

- Talk to children about the power of advertising and how it can persuade people into spending more money than they might otherwise. Help them differentiate between wants and needs, and between quality and excess.

- Give your children opportunities to make their own decisions in spending small amounts of money, perhaps \$10 to \$20. Talk to them about their decision-making process. As they get older -- perhaps by the seventh or eighth grade -- consider giving them their lunch money a month at a time to teach them how to make it stretch, as well as what to do if they run short.

*Family Fundamentals is a monthly column on family issues. It is a service of Ohio State University Extension and the Ohio Agricultural Research and Development Center. Send questions to Family Fundamentals, c/o Martha Filipic, 2021 Coffey Road, Columbus, OH 43210-1044, or [f Filipic.3@cfaes.osu.edu](mailto:f Filipic.3@cfaes.osu.edu).*



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**For the month of  
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**Dear Subscriber:** This column was reviewed by Nancy Stehulak, educator with Ohio State University Extension.

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