



# Parent Money Manual

## 8 Personal Finance Ideas for Parents

### Children Learn From You

Children learn a lot from their parents. Be an example of a responsible money manager by paying bills on time, being a conscious spender and an active saver. Look for opportunities to talk about money, read aloud books and play games that center around spending money wisely.

### Needs or Wants?

Family shopping trips are good opportunities to discuss budgeting, spending and saving. 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.

### Divide and Conquer

Have children begin budgeting by dividing their allowance or any money they receive into four clear jars labeled: Sharing, Spending, Short-term Saving and Long-term Saving. They should deposit 10 percent of their money or \$1 for every \$10 in the sharing jar, 30 percent, or \$3 for every \$10 into the spending jar, another 30 percent, or \$3 for every \$10 into the short-term saving jar and the last 30 percent or \$3 for every \$10 into the long-term saving jar.

### Bank on Knowledge

Bring your children to the bank 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 the manager for a tour -- be sure to ask to see the vault!



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### Pay by the Chore

Make a list of all the chores that need to get done around the house, such as weeding the garden, washing the car, sweeping the garage, or dusting the living room. Put a dollar amount next to each chore. Children can then pick and choose which chores (based on how much money they need this week or month) they want to do. This gives your children the freedom to choose their extra-credit chores, the freedom to make some extra cash when needed and encourages them to take pride in their work.

### Budget, Budget, Budget

Have older teens list expenses and income. Under expenses, include what they spend for movies, bus tokens, lunches, etc. Have them subtract expenses from income. Help them think of ways to reduce their spending. If their income is more than expenses, talk about a savings plan.

### Planning on a Budget

Tell your child or children to pretend that they are in charge of planning a birthday party at home for another child. Four of her friends will be at the party. Estimate the total cost. Suppose the party is lunch at a local restaurant. Estimate the total cost. Suppose the party is a trip to a local amusement park or bowling alley. Estimate the total cost.

### Back-to-School Saving

When it's time to go back-to-school shopping, discuss alternative or less expensive items than what is listed on their school supply list with your children. Then compare how much they'll save. Discuss with them ways to save money throughout the year by packing a lunch, using all pages in notebooks and using book covers.