

## A Parent's Guide to Raising-Money Smart Kids

As a parent, you might struggle with when and what to teach your children about money management. Is five too early to earn an allowance? Should you share the family budget with your children? When should teens learn about credit? These are all important questions, and it's often not easy to know the answers. Kids have different levels of interest in financial education. But, research tells us that by the age of five most children understand money and what it can do.

With that in mind, it's probably never too early to start using these general guidelines as a basis for educating your children about money.










- Involve kids in discussions about finances early and lead by example. Talk about money as you go about your daily activities – explain that money from the ATM is not “free” money, and show them how putting coins in a vending machine gives them something for their money. These teaching moments are also a great time to explain that once the money is spent, it's gone for good.
- Explain the difference between wants and needs. Take your kids on regular shopping trips and encourage them to use common sense when shopping and spending. Making smart spending decisions is critical to keeping within a budget, something everyone has to do eventually.
- Make saving a habit. As with any habit, the only way to learn to save is to practice, practice, practice. And though practice might not always guarantee success, it sure helps!


The documents linked below offer more specific guidelines for different age groups. Again, these are just guidelines. What decisions you make about when and what to teach at home depend on your family situation, household budget and how comfortable you are in the role of teacher.

- [Younger than age 5](#)
- [Ages 5 to 7](#)
- [Ages 8 to 10](#)
- [Ages 11 to 14](#)
- [Ages 15 to 18](#)

### [Your Money-Smart Kids' Financial Literacy Checklist](#)

Check out these websites for valuable financial information for kids – and families:

- Free resources from the [Jump\\$tart Coalition Clearinghouse](#) 
- [Biz KID\\$](#)  where kids teach kids about money and business
- [Feed the Pig](#)  for saving and money management tips
- [Department of Treasury](#)  sites just for kids
- [Education Cents](#)  created by CollegelInvest, a not-for-profit division of the Colorado Department of Higher Education
- [Federal Reserve](#)  publications for students and teachers
- [Financial Football and Soccer](#) , interactive games to help students learn basic financial concepts
- [Financial literacy information](#)  for all stages of life from the American Institute of CPAs
- National Endowment for Financial Education [Financial Education Clearinghouse](#)  for financial literacy programs

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