

Educating Your Grade Schooler About Money

Money is one of the most challenging topics for today's parents to discuss with their children. In some cases, it is the direct result of their own money insecurities. In others, it's about not realizing how valuable these lessons are to learn as early as possible for children.

Fortunately, as a member of the Credit Union, you have access to a variety of tools that can help you teach your grade-school child important lessons about money and help them establish good financial habits. These habits will leave them poised for greater financial success as adults.

April is Youth Month, making it an ideal time to teach your grade-school child valuable lessons about money or to reinforce the lessons you've taught them in the past.

Here are some money topic ideas to discuss with your grade-school child.

- **How to create a budget.** Using their allowance, teach your child to create a budget. A simple budget may include three categories: Savings, Charity, and Spending. Explain to them the importance of saving part of their allowance, allotting some to give to others, and then keeping a portion to buy something they want. It may help to use three different jars or envelopes for each category to help your child visually see where their money goes each week.
- **How to be responsible with money.** Begin by discussing the difference between "wants" and "needs" with your child. Teaching your child to save up for those wants can be one of the most important lessons. Plus, they'll experience great pride in the process of saving and finally having enough to buy the item they've been working so hard to receive.
- **Basics of investing money.** While the subject of investing may seem a bit high-level for your grade-school child, there are simple ways to at least begin the discussion. Consider starting by explaining what interest is and how it works. When they invest their money at the credit union, the credit union gives them the gift of interest. You can show them how this works either by using play money or if they have an account at the credit union, show them the interest they earned each month.
- **The value of comparison shopping.** Don't merely teach your child about comparing prices from one store or website to the next. Also, teach them about coupons, discount websites, and rebate websites where they can maximize their savings and make their money go further.

Separately, these concepts may not mean much to children. But when combined with ideas of money you've hopefully already instilled in them, these more advanced concepts help connect the dots in their financial education and literacy. Some may carry more weight as your child ages, but your goal right now is to help your child establish a financial foundation he or she can build upon. Don't hesitate to reinforce these concepts weekly or monthly.

We're Here to Help!

It's never too early to begin teaching your child about the importance of managing money. A great first step is to open a youth account for them at the Credit Union. You'll be able to teach your child how to make deposits, withdraw money, and review their account online.

To learn more about youth accounts, stop by the Credit Union or give us a call at 410-687-5240.

Each individual's financial situation is unique and readers are encouraged to contact the Credit Union when seeking financial advice on the products and services discussed. This article is for educational purposes only; the authors assume no legal responsibility for the completeness or accuracy of the contents.