

Teach Money Savvy

Patricia Morgan © 2005

How might we teach our children the value of money? In Grade One they begin to explore the value of currency. Money represents time and energy. Have you, as a parent, become a bottomless pit of currency?

The media bombards young people with messages of what *makes* them “cool” from nutritionless empty soft drinks and snacks to designer jeans to sexually provocative clothing. Many parents from all social/economic brackets, feeling guilty about the lack of time they spend with their kids, dish out money on children’s longings in a quick, but short lived, remedy. And, of course, it sets up expectations for more.

I’m reminded of Kathy Lyn’s book title, *“Who’s In Charge Anyway?”* For many families the question might be, “Who’s in charge of the spending?” “If there is a budget, who is in charge of it?” Don’t we want children who know how to set a goal and appreciate the feeling of excited apprehension—rather than have a sense of entitlement, expecting their desired items served on a silver platter—as if they are entitled to constantly be kept happy?

Children will go where the bank is *open and free*. Wouldn’t anyone with smarts? Shoplifting is common among teens. For many it’s a game. We live in an immediate gratification culture of fast food, cars and money. How do we reinforce the question, “wait until you can afford it”? I remember when our son at 16 years asked us to buy him a Ferrari. We told him that we were impressed with his lofty goal. We asked in what way we could help him start saving for it. What are some other strategies we can use to teach our children the value of money?

Here are some ideas:

- For 2 months or more record how much money goes directly from your wallet into your children’s hands. Decide if that amount is appropriate to your family budget and their needs. For elementary school age children, decide an appropriate amount of spending money. Provide it weekly. Most experts agree that tying allowance to family chores gives the wrong message. We want children to make their contribution regardless of an allowance. We also want children to experience handling money.
- For teens, resign from doling out money and provide a reasonable bi-weekly or monthly “living allowance.” You could say something like, “You will receive this amount of money every other Sunday to buy such things as your own clothing, school supplies, lunches and entertainment. It’s also for donating to your favoured charitable organization. The agreement is that you do not come to us asking for more money while we accept how you spend your money on these matters.” Teens will soon discern their priorities. What is more important, a movie with pop corn and drinks or a cool jean jacket? They also begin to take an interest in *sales*. Another benefit is realizing how much *Dry Clean Only* costs compared to *Washable*. For the first 2 or 3 months teens will be dizzy with the power and control to purchase what they want. After a couple of items shrink in the dryer and not planning ahead for a winter warm jacket, adult advice will be sought. “Will you go shopping with me to help find a pair of jeans that won’t shrink?” The hardest part is watching our children make mistakes. But isn’t it better to let our teens make inexpensive mistakes before they are in a position to declare bankruptcy because of lack of spending savvy.

- It is not just teens who indiscriminately spend money. Too many North Americans are living pay cheque to pay cheque, using one credit card to pay off another. Many families are in tough financial straights each January after spending too much on Christmas. How are we, as parents, modeling well planned *spending, saving and giving*?
- Now and then sitting down for a family financial discussion is useful. How much of our family money goes into saving and why? “Mom and Dad will one day no longer be earning. We need to save for our older years.” How much is required for family maintenance? “This is how much more money it costs when you take three showers a day rather than one.” How much do we give or want give to charity?
- Sponsoring a child through an organization such as Foster Parents Plan can give a different perspective. So little money keeps these children fed and clothed. Involving the family in the story, challenges and successes of a child in a Third World country can deepen our children’s appreciation for what they have..
- For birthdays, consider giving lump sums of money. Allow them to create their own celebration with your involvement and support. Our own children have planned big parties and other times have spent the whole bundle on a special purchase like a bike.

When Benjamin turned 12, he researched the restaurants in town that might have music. He found a Chinese restaurant with a small 3 piece band. He invited 5 of his buddies and they each invited a girl. We shuttled and chaperoned 6 boys and 6 girls to a Chinese meal followed by dancing. He proudly paid for the whole event.

On Katie’s 14th birthday, she took three other girls for an overnight trip to Banff in our tent trailer. Her dad camped in a tent near enough but far enough away for the girls to feel independent. The girls did all the event grocery shopping with enough money left over to pay for the camping ground, go horse back riding, take the gondola up Sulphur Mountain and stop at MacDonald’s on their way home.

Once we started this birthday celebration practice, we had no complains about our children’s birthdays. They became imaginative and resourceful. They wrote out budgets. They researched. They sometimes even negotiated for the best deals for *their* day.

Dr. Stephen Covey, creator of the Developing Capable People program, says something like, “I did not get into parenting to buy designer jeans. I became a parent to provide food, shelter and basic clothing, and to love, guide and raise a responsibly contributing citizen.” We serve our children well when we recognize that they can learn some valuable lessons by doing without in the short term, by taking responsibility for their own spending habits and by creating their own happiness.

Patricia Morgan is a certified counsellor, speaker and author of *Love Her As She Is, She Said: A Tapestry of Women’s Quotes and four booklets*
She can be reached at 403-242-7796 or www.lighthouseartconcepts.com