Banking on the Future: Raising $mart Kids - Part 2

by vcmorris - Thursday, April 15, 2010

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OK. It's April 15th. Tax Day. This is the day we all have to deal with Uncle Sam. But instead of talking taxes - let's continue our conversation about raising financially responsible children and why their money education should begin at a very early age.

For many children, their first experience with personal money is when they get an allowance. Many money experts suggest giving a child 50-cents or a dollar for each year of their age. The actual amount is less important – at least initially - than the sense of financial independence.

An allowance will help your child learn to handle their money and provide you an opportunity to introduce to them the idea of savings and why savings are important. Look for banks in your community that have activities and incentives to help kids learn money basics.

One of the important basics of money is learning to set goals that require accumulating a certain amount of it. Talk to your child and ask what their goals are. If it's something they *want*, it's the carrot that serves as their incentive. Pardon the pun but – that way – you don't have to become a nag. And it's yet another opportunity to discuss the difference between *wants* and *needs.*

Just as I love the phrase – "reading is *fun*damental" – I tell children and their parents that "saving money is *fun* and *mental*". I want them to understand that minding over money really does matter. I want them and their parents to embrace the philosophy that: IT'S YOUR MONEY SO TAKE IT PERSONALLY ™. An early sense of ownership of their "income" through birthday and holiday gifts, their allowance or summer job can create an excellent personal money management foundation for the future.

April is Financial Literacy Month. Tell a friend and share the wealth of money knowledge.

Here's to your health and wealth.
