



## What to Teach Your Children About Money

### **Practical skills are important**

There is much of importance to teach children about money. For example, young children need to be taught how to count change, how to make purchases, how to choose between competing wants, and how to separate the reality of goods from the fantasy advertised.

Older children need to be taught how to save for future needs or more costly wants, how to budget income over time, how to interpret advertisements, and how to shop for best buys.

These are important skills to teach children, but they are not the most crucial part of rearing money-wise children. Good attitudes and values are more important.

Following are some of the attitudes and values that children need to be taught to become more successful and money-wise adults.

### **Self-denial is fundamental**

You cannot have everything you want. Even if we could afford to give it to you, we would not, because it would not be good for you. Children who are seldom denied anything they want often become adults who cannot deny themselves anything they want.

### **Even wants should be limited**

You should not want everything you can have. Over time, there are endless lists of things that you will be able to buy, but buying these things will not make you that much happier than being satisfied with what you have. Children who depend on buying things to make them happy frequently become adults with the same problem.

### **Respect and appreciation are basic**

You must take care of what you own and treat it with respect. The care you give to what you own is a sign of your respect and appreciation for these things. Children who are not required to take care of their things and



treat them with respect frequently become adults who are careless and ungrateful as well.

### **Responsibility is a hallmark**

You must return what you borrow and not take what is not yours. Your respect for other people's property and for your own obligations is a sign of who you are. Children who fail to learn these

lessons may well become unreliable and irresponsible adults.

### **Money is a metaphor for life**

As you can see, some of the best money lessons are not just about money. They are really about life and how to give it value. Take your children aside and explain these lessons to them. It is very important for parents to talk to their children about their values and beliefs. Young children in particular are very impressionable and want to take after their parents, whom they love. But if their consumer education is left to what they see on television commercials or hear from their peers, they will tend to have a very warped sense of what is truly important in life.

### **Parents must stand by values**

As a parent, you may frequently have to enforce and reinforce the points you want to get across. Sometimes, you will have to make tough decisions about what you will allow your children to spend money on. But if you are unwilling to do so, what message does this send to your children? Why should they stand by your values, if you won't even stand by them?

Raising money-wise children can be a struggle at times, but rest assured that in the long run lessons like these will make your children wiser with money and more contented with life.

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