



Ten tips to teach kids about money

Children don't come with a manual, yet as parents we instinctively know how to teach them things like bathing, good manners, and the difference between right and wrong. Yet, we often stumble on a skill our kids will need their entire lives: money management.

When you start teaching children to brush their teeth, it's time to start teaching them about money. It's never too early, but it can sometimes be too late. Here are 10 "no non-cents" tips to help you teach children about money.

- 1. Set a good example.** Pay cash - children learn by watching you.
- 2. Talk about money.** Don't make it a taboo subject.
- 3. Open a bank account.** Explain deposits, withdrawals and how interest works.
- 4. Teach them to pay themselves first.** Before anything else, 10% goes into their savings account.

The Eye of the Storm



By
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5. Make them work for an allowance. This will give them real money to practice with.

6. Keep track of spending. So they see how small expenses add up.

7. Teach them there's more to money than spending it. Saving, investing and donating are all part of managing money.

8. Lost Opportunity Costs –money's best-kept secret. If you lose a 20-dollar-bill, how much did you lose? \$20? Wrong. You also lost everything the 20 bucks could have earned over time.

9. Offer an incentive. Create a "matching funds" program.

10. Create the frig "Wish List." Teach kids to prioritize by putting a "wants" and "needs" list on the refrigerator.

If they don't learn when they are young, they will pay the price for the rest of their lives.