

Family Living Focus

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**Kids And Money
A Parents' Curse
Or Blessing?**

Parents, do you wonder where your children learn to handle money?

Go to the nearest mirror and take a good look.

Our children learn money management skills over a pe-

riod of years by watching how others, especially we parents, spend and save. They also learn by having first-hand experience with money.

Whatever the age of your children, it's not too early or too late to teach and encourage them to spend and save wisely and to be disciplined about money.

Parents' attitudes about money stem from their families. What did money mean to you as you were growing up? Was money a tool to support the family or the driving force of its existence? Was it used to hurt or to show love without using the words, "I love you"?

As a parent, you can decide if the values you learned in your family were healthy values or not. If they were not, you are in the driver's seat to make the necessary changes in your family so there is a more healthy attitude about money from this day on.

First of all, at what age do you think children are aware of money or begin to grasp its concept? Age six or seven? No, the real answer at age three!

Scary, isn't it, that a three-year-old begins to learn about money!

Think about how television sells to children. How much television does your three year old watch? Also, think how many times the topic of money creeps into family conversations even when the conversation didn't start out that way.

The one thing we, as parents, need to realize is that whatever our own income — be it meager or not so meager — we have a major teaching role to play in teaching our children healthy attitudes about money. Even more critical is that we have a major role to prepare our children to be good money managers for the sake of their own future.

So, where do you begin with these young, impressionable "little consumers"?

One way to begin is to think about giving an allowance. Give your child a regular allowance in denominations that make it easy to save. A \$5 allowance, in \$1 bills, makes it easy to put \$1 in savings. Give a weekly sum at ages five or six. As your child gets older, increase the sum to include school expenses, entertainment, clothes, and so forth. A rule of thumb for a weekly allowance is up to \$1 for each year of age. Earnings need to be large enough so children stay interested but not too large that it is over indulgent. Remember that a set sum always should go into a savings.

Experts disagree on whether or not parents should withhold an allowance as a punishment or tie it to the chores a child performed. Some feel allowances, like a salary, should be paid consistently so a child learns to budget. Others insist a child perform chores as a member of the family, not because he or she will be paid. And when there is a need to discipline, take away other privileges, not the allowance.

The other viewpoint no work, no pay — of tying allowances to completed tasks has a number of supporters. Payment hinges on completion of the work. In addition, children are expected to do other duties as members of the family. A simple "thank you" is the reward.

Still others give a weekly sum to young children and a monthly cash outlay to teens. The important point is to enforce that when the money is gone, it is gone. Parents do not bail out the spender.

So, you see there are many avenues and approaches to beginning to teach your children about money. One thing for sure is that you, as the parent along with your child, need to discuss the arrangement that will work best. There's no right or wrong way to teach children about money, as long as the method is consistent, clear and workable.

If one method doesn't work, try another approach. Allow children to learn by mistakes and by successes. Encourage and praise rather than criticize.

Don't forget to contact your local Cooperative Extension Office for some additional help or literature on money and kids.

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