

Teaching Kids About Money

Sure, they may know how to spend it. But what do your children really know about money? Here are four hands-on activities from Texas CPAs to help you teach your children how to handle their personal finances.

1. Start out young with money recognition, spending and saving.

It's never too early to start talking about money. Toddlers and very young children can recognize pennies and other coins and learn how to spend and save them.

Suggested activities: Pretend grocery shopping, save coins in a piggy bank

2. Talk to elementary school children about budgeting, financial goal-setting and borrowing money.

Teach your children to live within their means by encouraging them to save 10 percent of their allowance, give 10 percent to charity, and spend the other 80 percent.

Suggested activities: Weekly allowance, open a savings account

3. Teach middle school and junior high students about investing, credit and compound interest.

Talk to them about using credit wisely, and explain how compound interest works for you when your money is invested properly and how it works against you when you are charged interest on your credit card balances each month.

Suggested activity: Consider giving your child a pre-paid credit card

4. Make sure high school students understand how to earn, save and spend money responsibly.

Students can open a checking account and learn how to balance a checkbook. Be sure students know how to use credit cards responsibly.

Suggested activities: Open a checking account, review a first paycheck



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