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## **TEACHING MONEY SENSE TO CHILDREN**

Children are not born with “money sense”. Instead, they learn by example and experiences. Consider these suggestions as ways to handle the problems children may have with money.

**Children lose money.** Frequently children lose money either through carelessness or accidentally. When this happens, adults should try to understand the child’s feelings before discussing ways to prevent further losses. Although parents may have to replace money for necessities, such as school lunch, they may want to negotiate with the child about replacing the “fun” money. If a child loses money on a regular basis, perhaps the child is not yet mature enough to handle money safely.

**Children hoard money.** Young children may hoard money for a variety of reasons. Some may enjoy handling coins, stacking, or collecting them. When children discover money can be used to buy desired items, they generally hoard their money less.

Some children enjoy saving or hoarding money more than others. It may be they are secretly saving for something or because they cannot decide what they would like to buy.

Adults can assist by suggesting alternatives for spending, helping the child in the decision making process, and providing opportunities for the child to spend money.

**Children break things.** The question often arises of whether children should pay for the things they break or if parents should absorb the cost. If the breakage was due to carelessness and parents feel the child’s sense of responsibility and value of others’ property have been overlooked, parents may decide to have the child pay all or part of the cost if the child has money to cover it. If the breakage was accidental, some parents may ask the child to assume responsibility for part of the cost. Parents should point out that accidents occur; yet they still cost money to repair or replace. No matter what the cause of the breakage, adults can help children find ways to make such misfortunes less likely in the future.

**Children steal money.** While stealing does not mean a child is a criminal, the problem should be addressed privately and immediately. Pre-school children may not realize that taking something belonging to others is wrong. Adults need to teach children that such behavior is unacceptable. Children should return the stolen items. For most children, being caught and having to return the item is consequence enough. If the stealing continues, however, parents should seek assistance from a professional counselor.

**Children don’t spend money as agreed.** Parents may think their child is paying for school lunches, only to find the money was used to buy pop and candy from the vending machines. If this happens parents need to stress what the money

was for. Ideally, children should have enough money to cover essential expenditures plus a little more for personal whims. If misspending still occurs, reduce the choices for the child until he/she becomes better able to make appropriate decisions. For example, if the school lunch money is a problem, have the child prepare a bag lunch at home.

Children learn attitudes and behaviors about money from their parents and other people who are important to them. Adults can help by providing experiences for children to gain skills and confidence in handling and managing money.

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#### ARE YOU INTERESTED IN ...

- Teaching your children money management skills?
- Improving the reading skills of your children?
- Strengthening communication between you and your children?

“Money on the Bookshelf” is a program designed to help parents teach their children (ages 3-10) money management skills through reading children’s books. It’s a fun way to teach about a subject that many families fail to discuss. Topics include: saving, recognizing resources, decision making, goal setting, allocating resources, and problem solving.

If you have a group of 5-10 parents who would like to participate call Skagit/WSU Cooperative Extension at 428-4270. A trained facilitator will meet with your group to discuss the concepts in each children’s book, as well as age-appropriate activities you might do with your children to reinforce the ideas from the books. We can even loan you the books! The United Way of Skagit County, the WSU Learning Center, the Institute of Financial Education Chapter 218, Skagit Head Start, and Pacific Northwest Bank have generously donated books to support this program.

Parent groups meet once a week for 4 to 12 weeks. Each week you would be given a different children’s book to read with your children. This program is flexible and can be designed to meet your needs. Call today!