

How to Teach Kids to Save Money -- 15 Easy Strategies

How to Teach Kids About Money

([PRWeb](#)) October 1, 2005 -- If advertisers can successfully target children from birth with spending messages, then parents, grandparents and educators can and should be doing the same with saving messages. I hate to disagree with many education experts who feel fourth grade, or ages 9 and 10, is an appropriate time to begin discussing money management with kids, but it is just too big of a head start to give corporations and businesses who are increasingly targeting this growing market.

Traditional thinking ignores the fact that today children begin establishing habits and a relationship with money around the age of three or four, if not earlier. Lets face it, ninety nine percent of that relationship has to do with spending and for many is the beginning of a lifetime of poor money habits.

Although personal finance authors may disagree on a variety of issues, one they all seem to agree on is that when you earn or receive money, the first thing you should do with it is put some away or pay yourself first. Imagine the impact on a child's life and their parents, if they are taught this time tested principle from an early age. Isn't it easy to picture educated, hard working, self sufficient, independent adults who own homes and businesses?

I know one of the great regrets of many adults is that they weren't taught about saving as a child. In fact, it's the main reason I started writing children's financial books and music. Establishing good habits are essential to developing a healthy relationship with money. So how do parents, grandparents and educators teach young children about money and get them in the habit of saving? Here are some suggestions:

1. Improve your own understanding of personal finance and set a good example to follow. Believe it or not, many adults don't understand the basics of personal finance. Pick up a book on personal finance. There are several excellent books on the market. Find one that speaks to you. A few of my favorites are: *The Way to Wealth*, Benjamin Franklin; *The Richest Man in Babylon*, George S. Clason; *Rich Dad, Poor Dad*, Robert Kiyosaki; *The Automatic Millionaire*, David Bach; *The Millionaire Next Door*; Dr. Thomas Stanley; *The Money Diet*, Ginger Applegarth; *The Latino Journey to Financial Greatness*, Louis Barajas; *Dollars and Sense for Kids*, Janet Bodnar; and *Yes You Can! Raise Financially Aware Kids*, Jack Jonathan. You can also find columnists who write regularly online about kids and money. Check out Steve Rosen (www.kansascitystar.com); or Janet Bodnar (www.kiplinger.com). Humberto Cruz writes an excellent column on saving. *Money*, *Forbes*, *Fortune*, *Kiplinger's* magazines, and the *Wall Street Journal* all contain personal finance information. Remember, verbalized or not, we are always sending children cues about our money values.
2. Communicate, communicate, communicate. Talk to your kids regularly about money. Involve kids in money-related activities (eg. counting, sorting, shopping, banking, bill paying).
3. Start early with books and music. Two activities that can begin from birth are reading to children and exposing them to music. Both activities help cultivate an interest in and an awareness of money. Naturally, I strongly recommend *It's a Habit, Sammy Rabbit!*, *Will Sammy Ride the World's First Space Coaster?* and *Get in the Habit!* the two books and music CD that my company has published (www.itsahabit.com). Additionally, I

suggest: Lucky the Golden Goose by John Wren; Alexander, Who Used to be Rich Last Sunday by Judith Viorst; Tops and Bottoms by Janet Stevens; The Giving Tree by Shel Silverstein; and The Trouble with Money by Jan Berenstain.

4. Coloring sheets and books. Visit your local bank or credit union and ask them if they have any coloring sheets and coloring books for kids.
5. Piggy banks and saving jars. Get your child a piggy bank or, better yet, create your own. If you are going to purchase one, my favorites are The Money Savvy Pig TM (www.msgen.com) and the Moonjar (www.moonjar.com).
6. Board games and cash registers. Monopoly (Junior), Moneywise Kids, Payday, the Allowance Game are good choices. Kids love cash registers and ATM machines. You'll find several excellent choices at www.kidsmoney.org.
7. Wealth/goal journal and affirmations. Encourage children to keep a journal, including pictures, of goals that are meaningful to them. Create short, fun, repeatable slogans for your kids such as: "saving makes me strong;" "from every dollar, save a dime;" "change adds up;" "money likes to grow and grow;" and "earn, save, invest, share and spend." Post them around the house!
8. Clip coupons.
9. Lists and shopping. Lists are great planning, thinking and organizing tools, and shopping is a great way to introduce kids to budgeting. Allow kids to comparison shop for items. Point out the difference in pricing between generic and name brands. Author Jayne Pearl (www.kidsandmoney.com) suggests playing the "Meat and Gravy" game. Point to items and ask kids if the items are "Meat" or "Gravy." "Meat" represents items the family needs. "Gravy" represents items the family wants. Maureen Dolan Rosens KidsCash is an excellent tool to help middle school kids with budgeting (www.kidscashmanagement.com).
10. Recycle.
11. Allowance. There's no substitute for experience. Give kids an opportunity to manage their own money and make their own mistakes on a limited basis under supportive but not overly restrictive conditions. Be consistent. Check out Allowance Magic, by David McCurrach (www.allowancemagic.com).
12. Start an account/Purchase shares of stock or a mutual fund.
13. Join or form a discussion group. It's important to find people who share and support your values. Everyday Wealth (www.wealthlink.com) is a good group to start with.
14. Turn Off the TV!
15. Set saving goals!



In summary, the key components to raising money-smart kids and putting them on the path to prosperity are: starting early; setting a good example; communicating openly and honestly on a regular basis; and routinely involving kids in money-related activities.

Sam X Renick is the author of two financial books for children: *Its a Habit, Sammy Rabbit!* and *Will Sammy Ride the Worlds First Space Coaster?*; he also produced the music CD titled *Get in the Habit!*; and is the founder of The Its a Habit! Company, Inc., (www.itsahabit.com), a socially conscious corporation dedicated to providing parents and educators with wholesome, entertaining and educational tools that help them encourage children to develop good habits, especially saving money.

Other articles written by Sam X Renick:

Help Your Kids Become Millionaires! --- Everyday Wealth

<http://www.ceoclub.everydaywealth.com/newsletter/sub/index-2005-01.htm>

Five Saving Strategies...Pay Yourself First! --- Kansas City Star

<http://www.kansascity.com/mld/kansascity/business/11044582.htm>

Why Save Money? Six Year Old Knows --- E media wire

<http://www.prweb.com/releases/2005/6/inktomi254651.php>

How to Set Kids Up For Success! © Some Family.com -- Family Resources

<http://www.somefamily.com/article1321.html>

Resources:

www.itsahabit.com

www.jumpstartcoalition.org

www.asec.com

Janet Bodnar -- Raising Money Smart Kids

http://www.dearborn.com/trade/productDetail.aspx?product_id=3739&ppn=56837101

Humberto Cruz -- The Savings Game

<http://www.latimes.com/business/investing/sfla-business-cruz,1,109739>

columnist?coll=la-utilities-business-money

Steve Rosen -- Syndicated Columnist -- Kids and Money

http://www.kansascity.com/mld/kansascity/business/columnists/steve_rosen/

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