



PARENTING POSTS

A newsletter for parents of sixth grade students

Preteens and Money

Children today increasingly are being targeted by business and industry as consumers, and for good reason. Many children have access to their own money through allowances, chores, jobs or gifts, and they also influence their family's spending habits.

Allowances

An allowance is one way to help your children gain experience in handling money. Making decisions about how money should be spent is a step toward becoming more independent. Allowances can be handled in a variety of ways.

Some parents may think they cannot afford to provide an allowance, but one way to set an appropriate amount is to keep a record of the money given to the child each week for lunches, other school expenses and entertainment. This amount then can be given as the allowance that your child will be responsible to manage. Start small with entertainment dollars and add school expenses and lunches when they have proven they can handle money. Discuss this weekly with your child and make adjustments as needed.

While paying for all household chores is not considered a good idea, parents may want to pay for "extra" jobs such as cleaning the car, weeding the garden or washing windows. When hiring preteens to do these jobs, the parent can establish good work standards and work habits (such as arriving on time and cleaning up afterward).

Preteens will make mistakes in their spending, but adults can help them learn from these mistakes. A product that didn't perform as expected can be a learning experience. First, adults can help preteens prevent (or at least minimize) future disappointments by comparison shopping, doing some product research, reading ads, comparing prices and asking questions. Second, adults can help preteens exercise their consumer rights in the case of a faulty product by arranging to talk to the store manager where the item was purchased or by helping them practice what to say on a phone call, or write in an email to the manufacturer.



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Stress Less Activity

Stress is part of everyone's life. Even young children! Try this activity with your child to help reduce stress and enjoy time together.

Blow bubbles, doodle, sit in nature.



While helping young adolescents learn about money, adults should:

- Guide and advise rather than direct and dictate
- Encourage rather than criticize
- Allow children to learn from mistakes as well as successes
- Together with your child, make spending plans and keep an account of how money is spent
- Be consistent but flexible
- Be objective about the purpose of money and not use it for rewards or punishment
- Communicate with family members to help the family work toward short- and long-range financial goals
- Include all family members in decision-making and family money management activities when appropriate.

As with many things children learn, some of the most powerful teaching about money will come from the parents' example. If money is a touchy subject or if parents always argue about money decisions, children certainly will pick up on this.

If parents frequently speak longingly of someone else's house or car or that big TV at the store, children will learn that material things are the most important goals. If parents practice living on credit, children will assume this is the way money should be handled.

Mature financial habits are basic to harmonious family functioning. Teaching your child about money through experiences with managing money and your own good example of money management will give excellent preparation for their own successful life.

Parents may not feel comfortable teaching their children to manage money because they feel they're not good managers themselves. But being an expert is not necessary to provide appropriate experiences for children.

To learn more about personal and family finances, check out these resources for adults and children:

- www.360financialliteracy.org
The American Institute of CPAs offers financial literacy for all stages of life.
- www.fdic.gov/resources/consumers/money-smart/teach-money-smart/money-smart-for-young-people/grades-6-8.html
Free downloadable curriculum for teachers, parents and caregivers.
- www.consumerfinance.gov/consumer-tools/educator-tools/youth-financial-education/assess/survey
Map Your Money Journey helps elementary, middle school and high school students understand how to manage money by seeing where they are on the journey today and learning about steps they can take for the future.



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