Children learn about money from their parents

How much your child knows about money may surprise you. They learn by watching what you do with money. You teach your child about money when you pay for things at the store. You teach your child about money when you write a check or use a credit card. You teach your child about money when you make a donation.

Children also learn by listening. They learn how you feel about money by the words you use and by how your voice sounds. The look on your face when you talk about money also shows your feelings.

By being aware of how your child learns about money from you, you can play an important role in teaching your child about money. Parents can teach children about earning, spending, saving, borrowing and sharing.

Teaching your child about money is an on-going effort. It starts the day you help your child put a coin in the gum machine. It continues past the day that you help your child move out on his or her own.

What your child can learn at age three
- To call a coin by its name
- To keep money in a safe place
- To pay for something at the store by trading money for it

At age four
- To learn how many cents each coin is worth
- To count cents a few coins at a time
- When we spend money, the money is gone
- We can not buy everything, so we have to make choices
At age five
- To learn how many of one coin is the same value as another coin (how many pennies equal one nickel)
- To learn how much money it costs to buy the things he or she wants (candy bar, soda)
- To learn how to save and spend a small amount of money.
- To learn where money comes from
- Banks keep our money safe until we need it
- Writing a check takes money out of the bank

Always put money away after playing with it. Children need to learn that money is valuable and must be kept in a safe place. Set rules about what they are allowed to take out of your wallet or purse.

Avoid letting children play with your credit cards.

Things to do to help your child learn about money

Make a bank - This can be used to help your child keep money in a safe place. It can also be a place for your child to save money.

Play store with your child. Let your child buy and sell toys, food or pretend items. You can use play money or make your own.

Let your child pay for small items at the store when you shop. This will help them get an idea of how much money it takes to buy things.

Take your child on a shopping trip. Give him or her a small amount of money to spend. Let your child decide what to buy.

Let your child pay for the item. Later you can talk with your child about what he or she learned.

Encourage children to buy things they can share with others.

Talk to your children about jobs people do. Help your child understand that people work to earn money. The earned money is used to pay for family needs.

When your child can count to ten, explain how coins go together. Five pennies are the same as a nickel. Talk about what different coins will buy. Young children will think that the number of coins is more important than the type of coin. It will take time for your child to understand how many of one type of coin is equal to another.

You can cut out pictures from magazines and newspapers of things your family spends money on. Help your child make a poster with the pictures.

Talk about needs and wants. Let your child pick out needs and wants from the pictures on their poster. Explain why we can't buy everything we want.

Help your child list things they might buy. Talk about whether it is a need or a want.

Your four or five year old will watch older children get and spend money. He or she may be able to handle a small amount of money regularly.

Watch TV together. Talk about the commercials. Explain the difference between ads and programs. Help your child understand that commercials are partly "make believe".
Read children's books about money with your child. Talk about what happened in the story. Relate the story to your family.

**Tips to help you teach your child about money**

- Play is the way your child learns. Teach by saying let's play a game.
- Each child learns at a different rate. Avoid pushing your child into activities. Wait to teach money skills until your child seems ready. Avoid too many rules or play will turn into work.
- Do activities again within a week. Use a similar activity within a week to reinforce what your child learned.
- Ask questions. Encourage your child to find answers. Give freedom to make choices.
- Let your child make some mistakes. Listen rather than tell.

**Resource Books to Help Teach Children About Money**

There are many children's books about money. Just a few of these are listed below. The last four books listed are parent resource books that also can help you teach your children about money.


