

Teaching Kids About Money



Sure, they may know how to spend it. But what do your children really know about money? Here are several hands-on activities from Virginia 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 include pretend grocery shopping or saving coins in a piggy bank.

2. Talk to elementary schoolchildren about budgeting, setting financial goals 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 include giving a weekly allowance or opening a savings account.

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

Talk to them about using credit wisely. 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 includes giving your child a prepaid 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 include opening a checking account or reviewing a first paycheck.

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