



THRIVENT®

Be Wise With Money™



TEACHING KIDS WISE MONEY HABITS

We're happy to share excerpts from a story featured in a past issue of *Thrivent* magazine, which offers tips parents can use to teach their children valuable money lessons.

You'll find practical ideas like these and more in *Parents, Kids and Money Matters*®—a values-based workshop developed by Thrivent. This 50-minute interactive workshop helps families establish wise money habits.

Parents, Kids and Money Matters works well in a variety of group settings, like church and school programs.

To learn how to offer this workshop in your community, church or school, visit MoreThanMoneyMatters.com or contact your local Thrivent Financial professional.



TIPS TO TEACH YOUR KIDS TO SAVE, SHARE AND SPEND

According to the Council for Economic Education, only 20 U.S. states require high school students to take an economics course to graduate, and only 17 require a course in financial literacy.¹

On the flip side, a 2017 study found parents who discuss financial topics with their kids at least once a week are 25% more likely to have kids who say they are smart about money than those who don't.²

These statistics help emphasize the fact that it's never too early to start talking to children about money management. So, let's look at some engaging ways you can share financial literacy topics with your family.

Make money talk a priority

We work hard to educate our kids about reading, writing and arithmetic, but lessons about money often get overlooked. That's because most families are busy with work, school, sports and other activities. Plus, growing up, many parents were taught not to talk about money, so—even as adults—they are often reluctant to teach their kids the basics of earning money, building budgets and sharing with others. But financial literacy is important.

Start the conversation early

Don't assume money talk is too grown-up for kids. "We want our kids to have carefree childhoods, and we worry that talking about money will make them anxious," says Laura Dierke, director of Member Engagement Strategies at Thrivent. "Young kids can grasp the underlying ideas of saving and sharing, and the earlier we make them comfortable about money, the better."



Resist the marketing blitz

There is a powerful buy-me-now energy in our culture. "Companies spend a lot of marketing dollars trying to make us impulsive about buying decisions, and a lot of their ingenuity is aimed at kids," says Scot Guldin, a Thrivent Financial professional. "Parents have to counterbalance the instant-gratification message by teaching patience and self-control."

Teach kids the three S's

Help your children divide their money into three categories: share, save and spend. "If your kids get money for Christmas or a birthday, always encourage them to divide it into three parts—one for buying something they want, another for saving for things they may want in the future and the third for sharing with others," says Dierke. Children attending the *Parents, Kids and Money Matters* workshop receive blue piggy banks with three compartments, but you can easily label three jars or boxes at home for the same effect.

¹Council for Economic Education's 2016 *Survey of the States*.

²T. Rowe Price 2017 *Parents, Kids & Money Survey*.



Don't surrender; strategize

"Kids are good at wearing parents down by asking repeatedly for some video game or electronic device," says Guldin. "Be careful not to cave in just to make them stop." Instead, help them figure out a plan to earn the money for what they want. If the children are old enough, there may be special jobs they can do around the house or for the neighbors. You might offer to match each dollar your child saves on the way to the amount he or she needs.

Consider an allowance

Many experts believe an allowance is a good way to teach children about money, but families have different ways of administering allowances. Some tie an allowance to chores; others require chores, but keep those duties separate from the allowance. For a rule of thumb on the amount, consider a dollar a week for every year of the child's age.

Make math easy

To help kids allocate and budget their money, make sure the cash you give them can easily be divided. Rather than giving them a \$10 bill for an allowance, give 10 singles instead, or perhaps five singles and the rest in coins. This practice will help them understand the idea of parceling it out and make it easier for them to stash some in a piggy bank to save and share, and some in their pocket to spend at the store.

Spread out the cash

Instead of giving your kids an allowance every week, consider dispensing it biweekly or even monthly. If kids know another \$5 is coming on Friday, they may be more impulsive about spending the money you just gave them. But if they know they must make the money last longer, they'll figure out the importance of discipline and self-control.

Find a cause that fits

Encourage your children to research nonprofits that interest them. If they love music, find one dedicated to giving children music lessons. If a friend or family member has an illness, consider raising money for research into a cure for it. Of course, you'll want to explore charities that excite your kids, because the closer the cause is to their hearts, the deeper it will take root.

Have a grateful house

Be purposeful about celebrating sharing in your home. Read Bible stories and books that feature generosity. Make a point of noting the kindness of others. If your sister or brother supports a food pantry, make sure your kids know you admire their aunt's or uncle's generosity.

Make giving a family affair

Community service is a great way for parents and children to spend time together. "Working together as a family in community service is one of the best ways to share your values with your children," says Dierke, "and it demonstrates that giving isn't always about money, but also about sharing your time and your talents."



Take Your Kids to Supermarket School

Because grocery stores sell lots of things kids want and prices are often clearly marked, they provide a great opportunity to demonstrate the dilemmas of budgeting.

If children have \$5 to spend on treats, they'll quickly figure out they must decide whether to buy a box of cereal advertised on TV or the ice pops they had at a friend's house. This will help them understand that assets are limited, and spending choices must be made.



Once your child has decided what to buy, have him or her buy the items in a separate transaction rather than including them in your order. It clarifies that everything comes with a price.

Coupons, whether digital or print, is another great way to get children involved in economizing and sharing. Children love to use scissors, and because store receipts often itemize how much you saved with coupons, the process is easy for them to understand.



Consider giving the savings back to your kids with the stipulation that they allocate some for spending, some for saving and some for sharing with others.

Get Down to Business

Thrivent offers two interactive workshops that help parents and children talk about money. *Parents, Kids and Money Matters* is geared toward 6- to 10-year-olds, and *Parents, Teens and Money Matters* is designed for ages 11 to 14. For more information, visit MoreThanMoneyMatters.com or contact your Thrivent Financial professional.

