



# KIDS – MONEY MANUAL

## 7 Steps to Raising Money-smart Kids

Take these simple steps to help your kids develop good financial habits that will last a lifetime!

### 1 Open a savings account in your child's name

It's never too early to do this. A savings account is a foundational piece to all financial learning. As your child grows, use the account as a way to open conversations like how much birthday money or other gift money they will save. Take your kids to your credit union when you have business to transact. Show them how to view their account online. Point out how their money is growing through the dividends they're earning. When the balance grows, talk to a Summit financial coach and discuss a higher dividend product, like a certificate.

### 2 Turn buying impulses into learning opportunities

When your child wants to buy something, help them determine if it's a want or a need. If it's not an immediate need, help them set a savings goal to make the purchase. Discuss in advance if you will match a portion of the funds needed to make the purchase and have your child do some research to find the best price when the times comes to buy the item.

### 3 If you provide an allowance, maximize the financial lessons

Determine whether you will pay your child an allowance and how much. Many parents determine the amount weekly based on the child's age, for example; a five year old would get \$5 per week, a 7 year old, \$7. Talk about expectations you have for them to earn their allowance. Give your child three jars or piggy banks; one for saving, one for spending and one for donating/giving. Regularly take your child to your credit union to deposit the money in their savings jar.

#### 4 **Involve your child in family finances**

Develop a family fun budget. Each payday put a predetermined amount of money into a container. Let the children decide what fun things they want to do with the money. It's a great way to start learning how a budget works. Involve kids in making the grocery list with a budget in mind. At the store, let your child use a calculator to make sure you stay within your budget. Pay bills with your kids. It's good for them to know the cost of water, electric, gas, etc. If they want you to buy something, you can relate it back to savings they can contribute to the family by using less water and turning lights off.

#### 5 **Continue the lessons into the teen years**

Create a budget to pay for related expenses, i.e. school supplies, clothing, activities, clubs. When it's time to shop for school clothes for example, give teens a set amount of money. They can purchase what they need, but will learn to look for bargains in order to make the money go further. When it comes time for your teen to drive, consider having them pay for part or all of their auto insurance. If your child sets a goal to save funds for a car, consider matching part of those funds. When kids start working, communicate the expenses you expect them to handle.

#### 6 **Familiarize your teen with other financial services while you're there to help**

When you see growing signs of responsibility, visit your credit union with your teen and open a checking account with a debit card. Teens are often ready by 15 or 16, but some may be ready as young as 12. Teach your child how to keep track of what they're spending and how to balance the account. You may want to teach an older teen about credit by co-signing on a small limit credit card. A Summit financial coach is happy to talk with your teen about handling money effectively. Help them understand how the card should be used and the importance of paying the balance off each month.

#### 7 **Walk your financial talk**

You've probably heard "I can't hear what you're telling me because your actions are speaking so loudly." Well, it's true with money smarts, too. Remember you are an example. And remember, too, that Summit Credit Union is here as a guide for you. We work with thousands of members on financial topics every day. It's likely we have some advice to share!

**Find what you're looking for at [SummitCreditUnion.com](https://www.summitcreditunion.com).**

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