

Money Talks



To Young Children
and their families

Volume 2

Brought to you by your local bank and the ABA Education Foundation

Quick Tips to Help Your Kid Save Money!

1

Separate your child's money into three piles. Designate one pile for spending, one for saving and one for charity or longer-term savings goals.

2

Involve your children in family savings goals — whether for a vacation, home or new car. An added bonus — sharing the goal with them might help you stick to it.

3

Consider giving new parents a monetary gift and encourage them to open a savings account for their new baby.

4

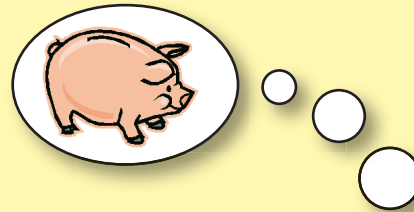
Tie allowance to chores and keep a chore chart. Only give your children money for the chores they accomplish, so they understand the value of earning money.

Spender or Saver?

Is your child a spender or a saver? Neale Godfrey of the Children's Financial Network has come up with a great quiz to help you determine your child's money personality. Visit www.childrensfinancialnetwork.com/moneysmarts.cfm to take the quiz.

Believe it or not, if your child is a saver, it does not mean that life will be easy for him or her. Sure, it might be nice for your child to accumulate a little money in a savings account, but children who are too frugal can create problems for themselves too.

Ideas for Savers



Grow Your Savings

If your child is a natural saver, then he or she may be ready to learn about investing. Some banks offer special rates for children's accounts or offer a low minimum balance on a certificate of deposit (CD). Opening a college savings plan is another great way to see your child's savings grow and benefit her later.

Share Your Savings

Savers might not be generous by nature, so make sure to instill in them the lesson of giving to those who are less fortunate.

Reward your child's saving first, then encourage philanthropy by suggesting your child share some of her savings with an animal rescue group or a charity supported by a favorite sports player. This will keep her generous *and* thrifty.

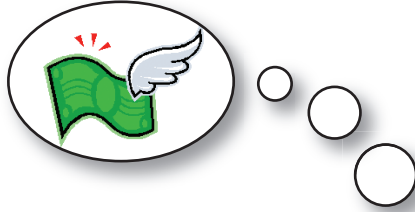


(Ideas for Spenders on reverse)



You also can find out whether the young child in your life is a spender or a saver by observing his or her behavior during shopping trips, at the grocery store, at birthday parties and holidays. If your child receives a gift of money, what's the first reaction? If the first question is, "What can I get?", you have a spender on your hands.

Ideas for Spenders



Make Savings Automatic

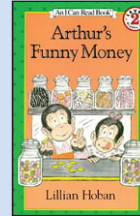
If you are giving a spender a monetary gift, think about setting up an automatic debit from your account. That way, the money won't burn a hole in his pocket, but grow in a bank. Also consider giving your "spender" options for large purchases to encourage saving. Suggest two different bicycles, one that you will buy with no help from him and another, more expensive model that requires a contribution from the child.

Link Saving to Spending

Does your child beg for a gift each time you go to the store to buy essentials or, especially, when you have to buy someone else a birthday gift? Suggest that your child save some money for shopping trips, even as little as \$5, so that he doesn't feel left out when you are spending on the family or another child. Giving into the need to spend in a small way will help curb the impulse and encourage budgeting for shopping trips.

Check Out These Books!

Visit your local library or bookstore ...



Arthur's Funny Money

by Lillian Hoban

This easy-to-read book details Arthur's attempts to earn enough money to buy a T-shirt and cap, assisted by his sister Violet. Simple business concepts are used to teach earning and saving lessons.



The Money Mammals

DVD by Snigglezoo Entertainment

This DVD is a great way to start young children on the path to a successful financial future. Through the use of puppets, fun and catchy music, simple and easy-to-learn savings lessons come alive.

Click Your Mouse Here



<http://www.bep.treas.gov/kids/start.html>

Sponsored by the U.S. Treasury's Bureau of Engraving and Printing, Money Central Station is a Web site with activities about currency for young children.

www.learntosave.com

A Web site from Raindrop Entertainment for parents and children with activities and lessons for families to download and complete together. The focus is on simple saving concepts for very young children.



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