



## How to Teach Your Children Age-Appropriate Financial Lessons

*National nonprofit credit counseling agency Take Charge America helps parents identify financial milestones for toddlers, kids and teens*

**PHOENIX – (April 3, 2019)** – When it comes to understanding money management, responsible spending and healthy saving habits, it’s best to start young.

“For better or worse, parents serve as the prime example when it comes to financial behaviors,” says Michael Sullivan, a personal financial consultant with Take Charge America, a [national nonprofit credit counseling and debt management agency](#). “Beginning financial discussions early-on, and continuing these conversations through each age, can help kids become financially independent and confident come adulthood.”

Sullivan outlined age-appropriate financial lessons that parents can instill in daily life.

### **Ages 2-5**

- **Basic money knowledge** – Teach toddlers the names of individual coins and the value of paper bills. Explain how cash is deposited into a bank for safekeeping.
- **Saving up** – Set up a piggy bank for kids to start saving on their own and talk to them about the responsibility of keeping money safe.

### **Ages 5-8**

- **Help at checkout** – Allow little ones to help at checkout, letting them purchase small items or counting cash with guidance. This helps them understand that money is exchanged for goods — and that items in a store must be bought.
- **Spend/save/share** – Upgrade the piggy bank to three separate funds for kids to divide their money: spend, save and share. This teaches kids how to allot money to daily expenses, work toward bigger purchases and share with others.

### **Ages 9-12**

- **Odd jobs** – Parents may encourage children at these ages to start making and saving their own money through odd jobs, chores around the house or an allowance.
- **Comparing prices** – Discuss how to find the best price. Ask pre-teens why they think certain products might cost more than others. It might be helpful to talk about situations where a more expensive price is warranted or if a bargain price is better suited.

### **Ages 13-16**

- **Credit cards and more** – This is a good age to introduce credit cards, the importance of building and maintaining credit, paying bills and other associated responsibilities.
- **Gaining independence** – Teens will probably show more interest in having a regular income as they age. Whether they're saving up for a car or otherwise, a first job is an opportunity to learn important life skills, including depositing paychecks, paying taxes or opening a savings account.

### **Ages 17+**

- **Higher education** – Take the time to discuss college with young adults. If higher education is in their future, ask where they'd like to attend, their desired area of study, how they plan to pay for it and their expected starting salary in their chosen field.
- **Loans and interest** – College is frequently associated with student loans. Explain how “buy now, pay later” can result in accumulating interest. Stress the importance of reading the fine print and paying off debt consistently.
- **Feeling secure** – College or no college, help outline a long-term financial roadmap to support them on their journey to independence. Discuss where they see themselves in five years and explore how to realistically and financially get there.

Take Charge America offers parents and teachers free [financial resources and elementary school lesson plans](#) to guide such conversations.

### **About Take Charge America, Inc.**

Founded in 1987, Take Charge America, Inc. is a nonprofit agency offering financial education and counseling services including credit counseling, debt management, student loan counseling, housing counseling and bankruptcy counseling. It has helped more than 1.6 million consumers nationwide manage their personal finances and debts. To learn more, visit [www.takechargeamerica.org](http://www.takechargeamerica.org) or call (888) 822-9193.

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