

For Parents

S.K.Y. Youth Account Education Program

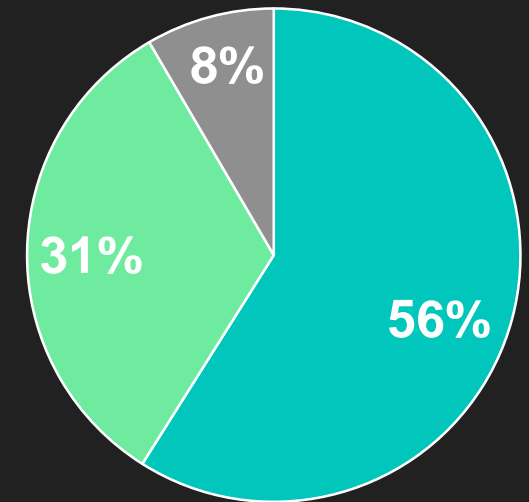
Why Teach Kids About Money?

- Only 21% of students have taken a personal finance class in school
- 50% of students claim to get financial information from their friends

○ Study by the National Council on Economic Education

- 66% of high schoolers tested on basic money skills scored an “F”
- Only 3% of those tested received an “A” grade

Parents Teaching Kids



- 1 Example
- 2 Examples
- Nothing/Don't Know

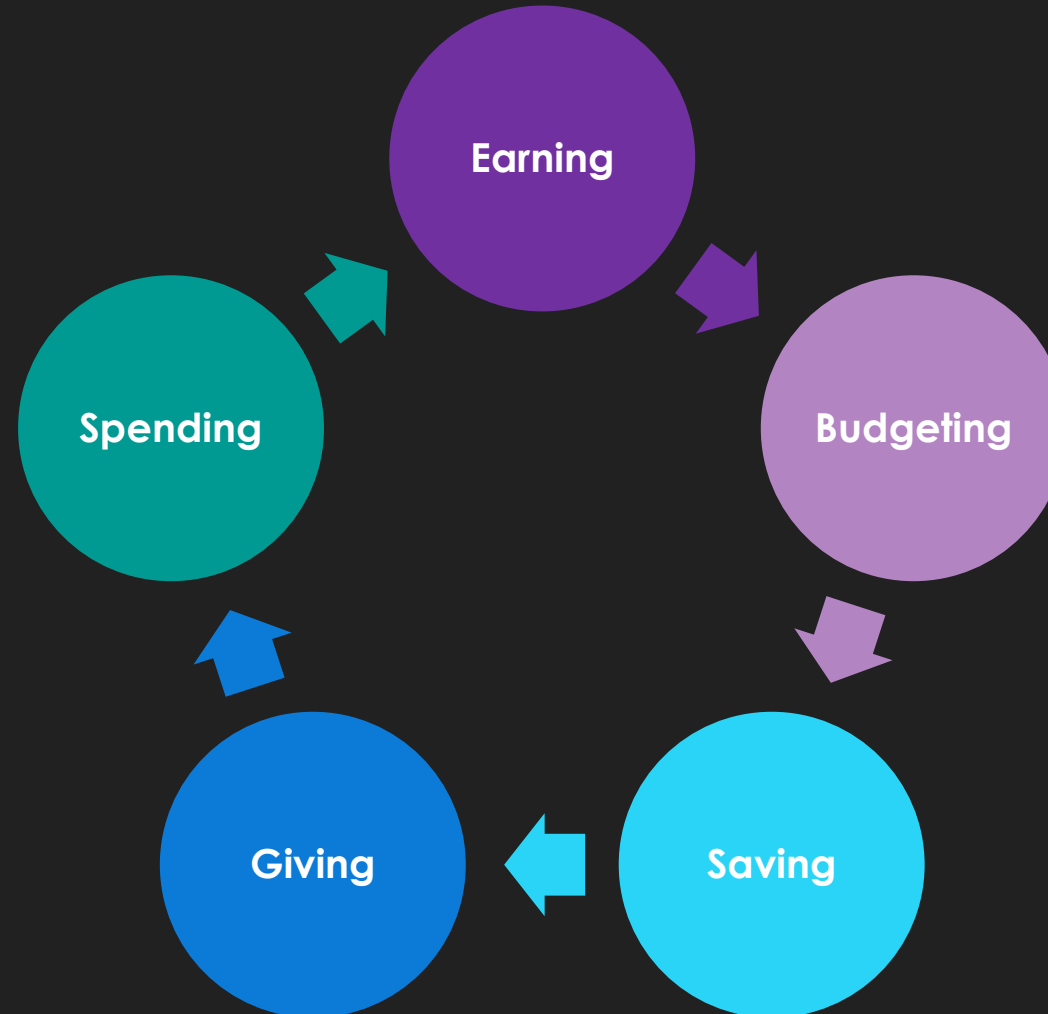
Being A Good Role Model

○ Parents should be able to:

1. Keep records in an *organized fashion*
2. Understand where your money goes
3. Know your own **net worth**
4. Pay yourself first (save!)
5. Set goals (Short-term/Long-term)

Teaching Your Children

- Teach kids the **cycle of money:**



Earning

- Establish a correlation between ***work and earning***
- Gifts are okay, but don't become an ATM for the Bank of Dad and Mom

Earning Activities

- For small children: Make a chart with stickers for **additional chores** they do and pay per task
- For older children: Help them find **odd jobs** around the neighborhood (Ex: babysitting, mowing lawns, walking dogs, etc.)

Budgeting

- Teach kids to prioritize between needs and wants
- Help kids identify some *short-term and long-term goals*
- Introduce the idea of **budgeting by percentages**

Budgeting Activities

- School clothes budget
- For small children use envelopes with simple labels to divide up money: Savings, Spending, Giving
- Make a chart of short-term and long-term goals to **track achievement**

Saving

- Reinforce that accomplishing financial goals takes careful saving
- Help kids understand the **value of delayed gratification** in an instant gratification society
- “A penny saved is a penny earned.”

- Benjamin Franklin

Savings Activities

- Open a *children's savings account* and help kids deposit money they earn
- Help children make a **drawing/list** of what they're saving for to remind them of their goal

Giving

- Teach children the value of giving to others: Of whom much is given, much is expected
- Remind children of their relative “wealth”:
 - ½ the world live on less than \$1 a day
 - 20% of the population in developed countries (that’s us!) consume 86% of the world’s goods

Giving Activities

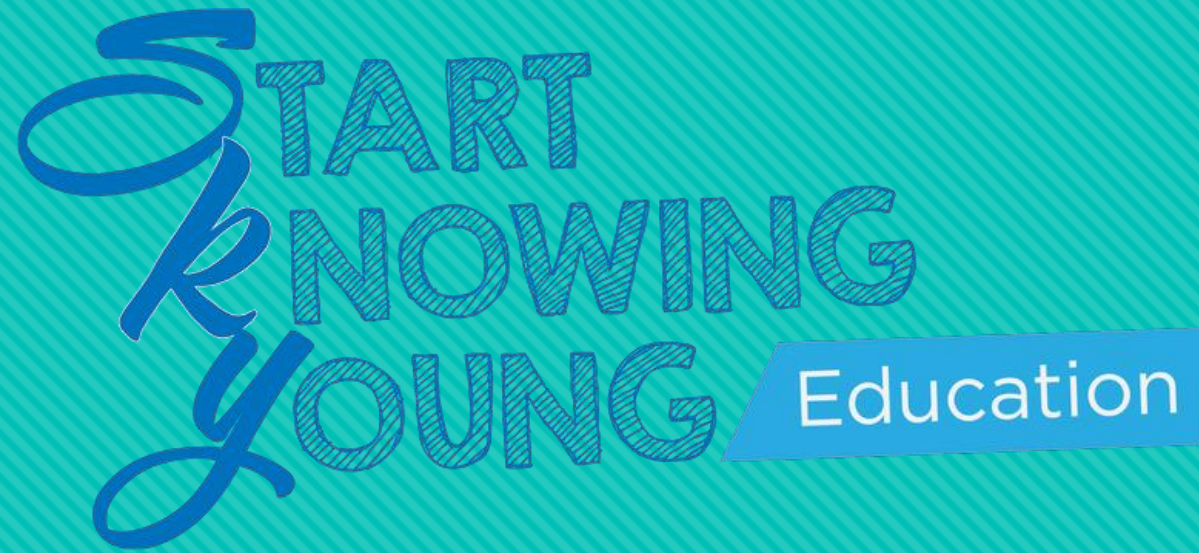
- Have children select a charity to donate their saved money to- *consider “adopting” a child to support monthly*
- **A few times a year give your time by volunteering at a local charity**

Spending

- Don't be too restrictive- allow them to enjoy their money too!
- Create *boundaries for spending*, but don't dictate choices
- Encourage ***independent decisions***- don't bail them out if they spend too quickly or unwisely

Spending Activities

- Dedicate one day a month to *spending “fun money”*- make an event out of it
- Help them **comparison shop** for purchases
- Discuss advertisements with your children- help them become savvy consumers



Thank You!

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