



The question was asked: “at what age should parents begin teaching children money management?”

This is a good question, because most of today’s adults were not taught money management as a youth and are now suffering the consequences.

So, I personally believe when a child is old enough to ask for purchases, such as electronics, expensive toys, designer clothing, etc. they are of age to understand how money works, such as the value of money and the purpose of money. Otherwise, when we buy our children all they ask for, without teaching them the value of money, we are sending them the wrong message.

On the other hand, when we instruct our children what the costs of purchasing high ticket items and the sacrifices others may have to make to buy them, we are teaching them appreciation and gratitude, and planting seeds for them to become responsible adults in the area of money management.

Giving children an allowance is a great way to begin teaching money management. Have your children earn their allowance by doing chores around the house. Parents can determine how much allowance to pay each week by assigning a value to the chores they assign to their children.

For teaching children 6 to 10 years of age the principles for saving and tithing try using the “jar method.”

Using three empty baby food jars, label each one as follows: 1st jar with “S” for savings; 2nd jar with “J” for Jesus (tithing), and 3rd jar with “O” for other toward purchasing desired items. Then, have your children start a wish list with their “wants” (toys, electronics, etc.) that you don’t normal purchase. Explain to them that the “S” jar is 10% of their earned money (allowance) for ongoing savings. The “J” jar is 10% of their earned money for tithing at church, and the “O” jar is for purchases they want. Teach them how much they will need to save in the “O” jar for items on their “wants” list. Encourage them not to spend from the “S” jar and to always pay their tithes to Jesus. Let them know also, that when the “O” jar is empty, they must start over again by adding to the “O” jar to save for the other items on their “wants” list.

Another way to encourage younger children to save for their wants is that if they save an agreed upon amount of money in the “O” jar, is that you will match the saved amount to help them purchase one of their “wants” items.

For older children, 11 years and up, using the plastic envelope system is a great idea. These plastic envelopes can be purchased at your local dollar store or grocery store.

Label their envelopes the same as the jars. For expenditures from the “O” envelope you should encourage your older children to keep track of monies spent from the “O” envelope. This will teach them how much money they waste in unnecessary categories, such as candy, etc.

Any other monies the children receive, such as birthday money; Christmas money; etc., should also be distributed in the jar method or the plastic envelope system.

Children love routines, so, teaching children at an early principles about money will promote good habits to carry into their adult life. Remember, consistency and patience is the key to their success.

If you give, you will receive. Your gift will return to you in full measure, pressed down, shaken together to make room for more and running over. Whatever measure you use in giving—it will be used to measure what is given back to you.

Luke 6:38