



Teaching Children to Handle Money Responsibly



As parents, we want the best for our children. We want them to be safe, secure, and successful. Wanting the best for our children means we desire for our children to do well in life. Part of preparing our children for success in life is teaching them how to handle money with responsibility and integrity.

Talking to our children and teaching them about money requires vulnerability, and this can be hard for us as parents. Despite the hesitation parents generally feel, children are eager to learn about money. We must be the ones to help them become financially literate, and it's good to start when our children are young. Here are a few tips:

Start with the basics. Explain what money is and how it is used. Give your children the opportunity to see you make purchases with cash. (Be sure to explain debit cards if you don't use cash.) Discuss wants vs. needs, and keep these conversations ongoing.

Model a positive habit of saving money. Money discussions and behaviors should include more than spending. Saving teaches invaluable life lessons such as discipline, delayed gratification, goal setting, and planning. Help your child set savings goals, and provide a place for your child to keep their money. You might also want to consider offering savings incentives like matching up to a certain percentage.

Create opportunities for your children to earn money. This can be accomplished easily with a simple chores and allowance system.

Talk about smart spending decisions and guide your children in tracking their spending (how much, on what, how fast). Help them learn how to budget their money, and include spending, saving, and giving/tithing. The value of giving needs to be taught in every home.

Depending on the ages of your children, you might want to **teach them how their money can grow by helping them invest.** You can also serve as their creditor to teach them about interest and paying back loans. This of course depends on your family's decisions regarding credit cards and debt.

Above all, model good financial behavior. Set a good example by living within your means, model saving, tithing, and working to earn



money, etc. Be sure to provide room for mistakes and grace when they occur.

Many parents consider providing their child with a debit card. There is no perfect age when a child becomes ready for a debit card of their own. Parents must make this decision. Many experts suggest waiting until a child is earning their own money, because they will most likely be more motivated to spend it wisely and save as much of it as possible.

When researching the right debit or prepaid card for your child, keep the following variables in mind:

- Does the account pay interest on the balance?
- What are the fees associated with this account?
- Which cards are the best for households with multiple children?
- Which offers provide the best security?
- Which offers provide the best parental controls?
- Which provides the best app or online experience?
- Which card features the style of art or personalization your child may prefer?

The Greenlight debit card for kids (www.greenlightcard.com) is one of the most popular offers, and it teaches the basics of earning, spending, and saving money. Greenlight allows parents to receive notifications, create chore lists, set automatic allowance deposits, and make instant transfers through the app.

For more information about kid friendly debit cards, visit: <https://apyguy.com/best-debit-cards-for-kids-and-teens/>

However you choose to teach and help your child become financially literate, be proactive. Educate your children and help them learn to manage their money while they are young. We must avoid giving our children cash and hoping they make smart decisions.