

Money Talks



To Young Children
and their families

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

Quick Tips to Help Your Kid Save Money!



1

Give your child a piggy bank. Suggest he save for something special, like paying for holiday gifts or a trip.

2

Start allowance early. A child as young as four can begin earning allowance and learning to save.

3

Encourage philanthropy. Have your child pick a charity based on his or her favorite animal or activity and set up a jar where he can put extra change or the occasional dollar bill. At a future date, take the child to donate the money and see the result of his contribution.

4

Start a college savings plan or a Roth IRA for your child. It is never too early to plan for the future.

What's in a Number?

A great first step to raising children who feel comfortable and responsible with money is to encourage a familiarity with the relationship between numbers on a price tag and how that translates into money.

If you are buying a pair of cleats for soccer for a young child, and they cost \$35, ask him to tell you what the numbers are and what they mean. Make sure to explain that a \$35 price tag translates to \$35 one-dollar bills. Show the child the cash if possible so he can make the connection.

A toy cash register and fake money can reinforce this lesson at home. Put price tags on some of your child's toys or fake food and help him count out the correct bills for the purchase.

A yard or garage sale can also be a great learning tool. Invite your child to contribute some of his old toys, books or clothes to a garage sale and help him price them appropriately. At the end of the sale, write down what he sold and how much money he received. Consider opening a savings account with the money he earned.



Total Garage Sale Profits	
Item	Price
baseball glove	5.00
30 books	10.00
16 stuffed animals	4.00
3 board games	6.00
old clothes	11.00
train set	4.50
GRAND TOTAL: \$ 40.50	

A Visit to the Bank

With the convenience of drive-thru tellers and ATMs, some busy adults rarely go into their local bank. Convenience is great, but do the young children in your life know how the ATM actually works — that it isn't just money coming out of a machine on the wall?



Bank branch hours are becoming more convenient, with many banks offering late evening or weekend hours. The next time you have a deposit to make or a check to cash, take the opportunity to go into the bank and show your child around. Many bank employees would be happy to take you and your child on a tour — you might even get to see the vault!

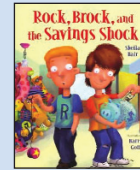
If the young child in your life doesn't have a savings account yet, consider opening one for her and explain where that \$25 check from Aunt Betty or

Grandpa Joe is going. The banker who opens the child's new account can also be helpful in sharing this lesson.

Discuss a long-term savings goal the child can work toward, and schedule regular visits to deposit money from gifts or allowance. Establishing a comfortable relationship with a bank early will help your young child down the road when she decides to open a checking account or apply for a loan.

Check Out These Books!

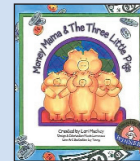
Visit your local library or bookstore ...



Rock, Brock and the Savings Shock

by Sheila Bair

Rock is a spender, Brock is a saver. When the twin boys' grandfather gives them the opportunity to earn extra money by doing chores, they find out just how different their money personalities are. (Bair is Chairman of the FDIC.)

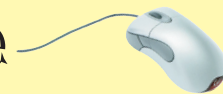


Money Mama and the Three Little Pigs

by Lori Mackey

This book teaches children about the many aspects of money management, from giving to investing, to saving and spending wisely. The illustrations and simple explanations keep these concepts very child-friendly.

Click Your Mouse Here



www.atozkidsstuff.com/money.html

This Web site features lesson plans, monthly calendars, and educational activities that will help young children learn more about money.

www.usmint.gov/kids/flashindex.cfm

Sponsored by the U.S. Mint, this Web site discusses coins as "History In Your Pocket." There are cartoons, games, news about coins, and other activities to teach young children about our currency.



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