

MONEY AND YOUR KIDS

A NEWSLETTER FOR PARENTS

September

Money Goals

Welcome to the newsletter "Kids and Money." North Dakota State University Extension Service home economics agents in the northwestern area of the state developed this award-winning newsletter. "Kids and Money" aims to help you, as parents of fifth-graders, develop money concepts and skills with your child.

Why target fifth grade? Between the ages of 7 and 10, children begin to understand the abstract concepts required to manage money. Until age 10, kids take financial direction primarily from their parents. After that, peers become the primary influence. This newsletter also is aimed at you, the parent. By receiving information related to the information your child is receiving, you can feel more prepared to help your child develop money skills.

In this issue, we will look at goals in relation to family finances. One side of the newsletter contains information for you, the other information for your child. Take a few minutes to read the parent side and then look at the other side with your child.

Money is a touchy subject in many homes. When children do not understand money and other family matters, they fill in the blanks with worry and imagination regarding what will happen to the family.

Letting children become part of the money planning and spending process in your home may benefit the whole family. Children tend to be creative and wiser about things than adults believe. Children may think of ways to help improve finances if given the opportunity to be part of the family financial goal-setting process. You may choose to let them help with a small portion of family spending, and help you set goals and plan to make the goals succeed.

A goal is a means to an end. Conscious goal setting often is successful. You then have control over many of the circumstances in the plan you make to carry out goals.

A family conference is one way you can teach your children about goals and planning. One family may involve the children in planning the yearly vacation. They decide when and where to go and for how long. Then they choose how to get there and how to finance the trip. Each family member must choose how to accomplish his or her assigned goals. For example, someone can do research on attractions to see once they get there and how much doing these things will cost. Someone can call toll-free phone numbers to ask questions regarding the chosen activities. Another person may want to look at transportation costs. Together the family can decide the best way to reach its destination. Even very young children can have a small part in the plan so the end goal is theirs, too. It is a good way to teach by example.

Another way to teach children about money goals is to have a cooperative arrangement with them. For instance, you may be willing to pay for a basic pair of jeans, but if your children want a popular, more expensive brand, they will have to set goals and make a plan to earn the remaining money.

Posting the goals where everyone involved may see them and be reminded of his or her job might be a good idea. This also is a good way to keep everyone involved and participating toward the goal.

You also may help your children by offering suggestions of ways to earn extra money. Make a list of activities and how much will be paid for them. Be sure to match your child's abilities with jobs that need to be done. Shoveling snow, planting and weeding the garden, raking leaves, sewing on buttons and mowing lawns are all ways to earn extra money. Not every household chore should be paid for, however. Children should do some things just because they are part of a family. Children shouldn't expect to be paid for everything.

Upon attaining goals, help your children see if goal-setting was successful or unsuccessful and why. The children will build self-confidence each time they set a goal and carry it out.

For more information, the following publications are available at your county office of the NDSU Extension Service:

FE-222, "Family Money Manager"

FS-522, "Family Communications and Meetings"

FS-592, "Communicating About Money and Money Issues"

FS-591, "Financial Values, Attitudes and Goals"

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Brought to you by the NDSU Extension Service and your local extension office.

See your extension agent for more money management information and other family economics programs.