

## *Transcript*

### **Teachable Money Moments For Your Child**

Most kids start learning about money earlier than a lot of people think—and it's usually from watching you, their parents.

Your everyday decisions about what to buy and how to save can be teachable moments: opportunities to talk to kids about money so they learn good spending and saving habits early.

In this video we'll look at a few different ways you can talk to your kids about money in everyday situations when they're in elementary school, middle school, and finally when they're teens in high school.

A child in elementary school is just learning how money works, so simple lessons are best.

For example, an ordinary trip to the grocery store can be an opportunity to play a money saving game. When your child picks an item from your shopping list, have him find the sticker price and compare it with other brands with the goal of finding the lowest price. As he gets older, you can teach him to compare unit prices to figure out when buying larger quantities can help you save money.

You can also give your child a mission to find coupons for the things on your list. As a reward, you could let him keep some of the money he helps you save.

By making the weekly shopping into a quest to get the most for your money, you are teaching your child the habit of thinking about the price of an item and its value before you buy it. Plus it's a great way to keep him entertained while you shop.

The next time you're at the toy store could also be an opportunity to teach your child to make choices within her budget. At first, she might want to take the whole store home with you. But if you give her a defined amount of money, she can figure out how to narrow down her options based on how much she actually has to spend. And she'll learn how to consider trade-offs, like whether it's worth it to get one big toy or if she'd be happier with a few smaller ones.

Now, when your child steps up to the register with her toy, she might notice that the total cost is a little bit more than the price tag---sales tax. Understanding taxes might be a challenge for a young child, but as she gets older, you can look at a receipt together and show your child how taxes are calculated and you can point out the things in everyday life that taxes pay for like schools and roads.

Middle schoolers can already be more sophisticated consumers, which may mean it's a good time to reinforce basic money habits and teach them about new things they might be exposed to, like digital spending.

So, for example, one night while you're having dinner, you could talk about the trade-offs between eating at home and eating out. Eating out might be more convenient and fun, but making a habit of it is bound to get expensive. Have your child estimate the cost of a dinner at his favorite restaurant including tax and tip and help him estimate the cost of one of his favorite home-cooked meals: the cost of the groceries and the time it takes to prepare the food and clean up afterwards.

Teaching your child that he can save money by doing things himself can also help him understand the value of his time and effort.

Playing a game with your child on a smartphone or tablet could be a good time to talk about how digital spending costs real money. She might not realize that those apps, ringtones, and ninety-nine cent "power-ups" that you buy in a game, add up over time. You might want to set some ground rules including having her ask permission before downloading anything or having her keep track of what she spends online and setting limits.

The next time your child asks to buy a movie or a video game can be a good time to talk about buying versus renting. Ask him if he'll really watch that movie more than once. If not, renting it could save you quite a bit. Or, if your child wants a video game, have him consider renting it first to make sure it's something he really wants. Then he can make the decision to buy it.

In high school your teenager will be much more independent and will have a lot more experience with money, but there are also more spending temptations for teens as well.

The next time you're shopping for clothes with your teen, remind her to prioritize what she really needs over what she wants. If she spent all her money on a few trendy dresses when what she really needed was a new

jacket, she might regret it when winter comes. You can also teach your teen to keep an eye out for sales and discounts. By doing a little online research, she may find that she can get something she saw in a store for less somewhere else.

When you're paying the phone bill, sit down with your teen and go over how his monthly cell phone and data plan works. If he pays a fee each time he sends a text to a friend, seeing how these fees add up over a month can be a surprise. Looking at the bill with your teen each month can help him get in the habit of carefully looking over each bill he receives to make sure there aren't any unusual charges. This could also be an opportunity to collaborate with him in researching alternate plans that may be less expensive for your family.

Beyond learning good money habits for everyday situations, it's also important to teach your teen about saving for bigger expenses which can benefit her future, like a college education.

The next time the subject of college comes up, like when you're watching a college football game with your teen or talking about your teen's favorite subject in school, it could be a good time for a discussion about how much going to college could cost and what you can afford to contribute. Setting these expectations early can help your teen prepare for her future and encourage her to find ways to help pay some of her expenses.

These are just a few examples of everyday opportunities to talk to your child about money. Once you get in the habit, it's easy to find teachable moments like these. The earlier you start, the sooner you can set the foundation for the money habits they will have in the future.