

Teaching Children Money Management

Amanda Clasen- Community Vitality Agent
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The Southwind Extension District just finished hosting our first Youth Entrepreneurship Challenge in Allen County with the partnership with Humboldt High School, Allen County E-Communities and NetWork Kansas. A part of this event is students learning the importance of developing a business plan, learning how to make a profit off of their business and product as well as marketing their product to be successful. After completing this event, the participants were awarded cash prizes for their work and efforts and it got me thinking, I wonder how many of these youth will continue the entrepreneurship path in life and what money management skills have they developed through this project?

Money Management must be learned and practiced in everyday home and family life to prepare children for real life situations. Think of how day-to-day activities and errands that you are already completing in your already busy life, to incorporate "lessons" on money management skills for youth. Making or earning money for a job is the way most adults get money to spend, but think about what youth need to know to be successful in their money management. The following are examples of ways to incorporate learning into daily life lessons.

Things a 5 year old should know:

1. A dime is worth more than a nickel even though it is smaller. Also that coins can be exchanged for "fun" things.
2. Toys that are seen on the cereal box or on TV won't always be flashy and look or work as well at home as they are advertised.
3. Saving money can be fun when they know they can use it to buy something later.
4. Asking for something they want, doesn't mean they will always get what they want.

Things a 10 year old should know is obviously different from a younger and older Siblings. Below are examples of those teaching lessons.

1. They should be able to navigate a grocery store with a cart and list to help shop for a budget friendly grocery trip.
2. They should have a savings account in a real bank. They should learn that although you can withdrawal from that account, it won't be the same cash and coins that they put in.

A 16 year old is often the age looking to be hired by local business and able to work outside of the family and friends circle to gain a paycheck. A few things they should know when coming to earning money:

1. They should have a reasonable idea of the family finances.
2. They should know how to write a check and balance a checking account.
3. They should save half of everything they hear from a job for any major high school expenses such as a class ring or trip.

Adults may work 40 hours or sometimes more each week to bring home a paycheck to live on. Youth should be able to find small jobs from their parents or neighbors to earn money for those burning "needs" and "wants". Those jobs can take as little as 10 minutes for as much as hours to complete. Paid jobs at home are usually things beyond those a child is expected to do as part of the family. Make sure to be on the look out for a job that neighbors, grandparents, friends are willing to pay for. Think of other ways your child can earn money from their hobbies, for example, sell jewelry, show adults how to use a computer application or setting up a new cellphone.

For more information please contact Amanda Clasen, Community Vitality Agent, at amclasen@ksu.edu or at any Southwind Extension office.