

Let's Talk Finances

Teach Children to Save – They'll Reap the Rewards as Adults



By Charles Schmalz
President of
East Wisconsin Savings Bank

Financial literacy is a skill that impacts everyone throughout their lives, yet many people are not exposed to essential money concepts until they become adults — sometimes after they've made serious financial mistakes. You can help by introducing the concept of saving and spending wisely to your children or grandchildren. Here are some ideas on how to teach sound financial habits to the children in your life.

Read a Money Book

Does your child like stories? Pick up a money-related book (such as *The Berenstain Bears' Trouble with Money*) and read it with them. Afterward, ask questions about the book that encourage your child to think about how they would save and spend money, and ask if they would do things differently than the characters in the story.

Take a Field Trip

Are you stopping by your local bank branch soon to deposit a check or cash? Take your child with you and explain what you're doing. It's important for children to learn about the places they can save money, starting with their piggy bank and eventually depositing money into an account at a financial institution. If your child is old enough, you can also explain that banks pay their customers interest, so saving is a way to earn money, too!

Monkey-See, Monkey-Do

Finally, use the old adage "monkey-see, monkey-do" to your advantage! If you model good saving and spending behavior for your children, they're more likely to follow in your footsteps and be good stewards of their own money later in life. This is especially true if you involve them in financial discussions in order to engage their interest. For example, before taking a family vacation, ask your child to help set their budget for toy/souvenir purchases. Another good activity is to have them help make the grocery list and compare prices in the store while shopping.

You can find more ideas and educational money activities for children on MyMazuma.com, a website designed to connect you to the best financial literacy resources available.