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## TEACHING YOUR KIDS GOOD MONEY HABITS

We are happy to share this reprint from the Summer 2009 issue of *Thrivent* magazine about tips parents can use to teach their children valuable lessons about money.

Practical ideas like these are included in *Parents, Kids and Money Matters®*, a values-based family workshop developed by Thrivent Financial. The free, 50-minute interactive workshop helps families establish good money habits.

*Parents, Kids and Money Matters* works well in a variety of group settings. For example, including the workshop in an existing program in your congregation would be an ideal fit.

For more information about offering this workshop in your community, church or school, contact your local Thrivent Financial representative.

Sincerely,

Thrivent Financial



Children have fun and learn at a Thrivent Financial “Teach Your Kids to Share Day” in Allentown, Pennsylvania.

# The Secrets of the Blue Pig

How to teach your children about saving, spending and sharing.

By Hugh O’Neill Photography by Douglas Benedict

**O**n an evening in April, children at the Da Vinci Science Center in Allentown, Pennsylvania, got a close-up look at life on Earth, came face-to-face with creepy creatures from five continents and walked away with something a bit unexpected from a visit to a science center—the ABCs of financial literacy. The science center was one of 30 kid-friendly sites across the country to host “Teach Your Kids to Share Day” on April 24. The special day, created by Thrivent Financial for Lutherans, featured interactive family workshops on values-based money habits, as well as time to explore the museum.

While only time will tell whether any careers in science were launched that day in Allentown, the families definitely got a head start on their financial futures. With

a recent U.S. Department of Education study reporting that just 42% of 12th graders are proficient in basic economics, it is never too early to start talking to children about money management. Kids left the science center with an introduction to money and cute blue piggy banks (more on those later), and parents left with handy tips developed by Thrivent Financial and industry experts for helping their children understand sharing, saving and spending.

Take a look at the following advice for ideas you can use with your family.

**Make money talk a priority.** We work hard to educate our kids about reading, writing and arithmetic, but money-smart lessons often get overlooked, says Barbara Dunn, one of the Thrivent Financial representatives who led the sessions. “Families are very busy, what with work and school and



sports and a million things draining their time,” says Dunn. “Growing up, a lot of parents were taught that you don’t talk about money, so even as adults they are reluctant to teach their kids the basics of earning money, making budgets and sharing with others. They don’t know how, because it was never taught. But financial literacy is important.”

**Start early.** Avoid the common assumption that money is too grown-up for kids. “We want our kids to have carefree childhoods, and we worry that talking about money will make them anxious,” says Laura Dierke, program manager at Thrivent Financial, who includes her 3-year-old daughter in coupon clipping. But the opposite may be true. “Young kids can grasp the underlying ideas of saving and sharing, and the earlier we make them comfortable about money, the better.”

**Resist the marketing blitz.** There is a powerful buy-me-now energy in our culture. “Companies spend a lot of money trying to make us impulsive about buying decisions, and a lot of their

ingenuity is aimed at kids,” says Scot Guldin, a Thrivent Financial representative and workshop leader. There is evidence that some 6-month-old babies can recognize corporate logos and that brand loyalty can begin as early as age 2. “Parents have to counterbalance the instant-gratification message by teaching patience and self-control,” says Guldin.

**Don’t surrender, strategize.** “Kids are good at wearing parents down by asking over and over again for some video game or Barbie car,” warns Guldin. “Be careful not to cave in just to make them stop.” Instead, help them figure out a plan to earn the money for what they want. If the children are old enough, there may be special jobs they can do around the house or for the neighbors. You might offer to match each dollar your child saves on the way to the amount he or she needs. “Teaching kids to work for money is win-win,” says Dunn. “You get extra help around the house, and they get to feel proud and self-reliant.”

**Teach them to share, save and spend.** Help children divide their money into three categories: share, save and spend. “If your kids get money for Christmas or a birthday, always encourage them to divide it into thirds—a third for buying something they want, a third for saving for things they may want in the future and a third for sharing with others,” says Dierke. Children attending the workshop received a blue piggy bank with three compartments, but you can easily label three jars or boxes at home for the same effect.

**Consider an allowance.** Many experts believe giving an allowance is a good way to start teaching children about money, but families have many different and effective ways of administering it. Some tie an allowance to chores; others require chores but keep those duties separate from the allowance. For a rule of thumb on the amount, consider a dollar a week for every year of the child’s age.

**Make division easy.** To help kids allocate and budget their money, make sure the cash you give them can easily be chopped into pieces. Rather than giving a \$10 bill for an allowance, give 10 singles instead, or perhaps five singles and the rest in coins. This practice will not only help them understand the idea of parceling it out, but also make it easier for them to stash some in a piggy bank for saving and sharing, and some in their fist for spending at the store.

**Spread out the cash.** Don’t give an allowance every week; consider dispensing it biweekly or even monthly. If kids know another \$5 is coming on Friday, they may be more impulsive about spending the allowance you just gave them. But if they know they have to make their money last for a while, they’ll figure out the importance of discipline and self-control.

**Find a cause to match their interests.** Encourage your children to research charities that interest them. If they love music, perhaps they can find a charity dedicated to giving



Thrivent Financial representative Scot Guldin teaches children the basics of financial responsibility.

## Take Your Kids to Supermarket School

Shopping for groceries can help teach kids money smarts.

Because grocery stores sell lots of things kids want and prices are often clearly marked, they are a great opportunity to demonstrate the dilemmas of budgeting. "If children have \$5 to spend on treats, they'll quickly figure out that they have to decide between buying a box of that sugary cereal advertised on TV or buying the ice pops seen at a friend's house," says Thrivent Financial representative Barbara Dunn, who used the cookie aisle as a classroom for her own kids. "The quandary will help the child understand that assets are limited and spending choices have to be made."

Once your child has made a choice, have him or her buy the items in a separate transaction rather than just including them in your order. It clarifies that the things we need and want have a price. Clipping coupons is another great way to get small children involved in economizing and sharing. Not only do little kids love to use scissors, but since store receipts often itemize how much you saved with coupons, the process is easy for kids to understand. Consider giving the saved amount to your kids with the stipulation that they allocate one-third for spending, one-third for saving and one-third for sharing with others.

children music lessons. If a friend or family member has an illness, raising money for research into a cure would be a good idea. Of course, you'll have to look into any charity that excites your kids (our "How Do I Choose the Right Charity?" on page 26 covers the basics), but the closer the cause is to their hearts, the deeper it will take root.

**Have a grateful house.** Be purposeful about celebrating sharing in your home. Read Bible stories and books that feature generosity. Make a point of noting the kindness of others. If your sister supports a food pantry, make sure your kids know you admire their aunt's sharing.

**Make giving a team effort.** Community service is a great chance for parents and children to spend time together. One mother at the event shared that her kids look forward to their twice-a-month deliveries for Meals on Wheels, and a dad said he and his kids team up for environmental projects. "Working together in community service is one of the best ways to share your values with your children," says Dierke, "and it shows them that giving isn't always about money, but also about sharing your time and your talents." 

## Getting Down to Business

Thrivent Financial offers two interactive, values-based workshops that can help parents and children talk about money. "Parents, Kids and Money Matters" is geared toward 6- to 10-year-olds, and "Parents, Teens and Money Matters" is designed for ages 11 to 14. For more information, contact your Thrivent Financial representative.



## Learn More

For more resources on teaching children good financial habits, go to [Thrivent.com/magazine/links](http://Thrivent.com/magazine/links).