GuidanceResources®

Budgeting as a Family

Sticking to a family budget is much easier when you involve your children in the process. You'll also teach them valuable life skills along the way. Some tips:

- **Without getting too technical, involve your kids in budgeting discussions.** Establish financial goals (e.g., a new TV or a summer vacation) and get your children excited about mom and dad saving along with them. Post a weekly "savings update" for that particular goal. Create a fun "savings thermometer" that gets shaded in as savings increase.
- **Think about creating a small-change family fund.** Put out a money jar that every family member can contribute to. Establish a goal of saving for a family day at the amusement park or a new puppy. Fun money-saving activities like this are especially beneficial to young children.
- **Avoid associating money with fear and guilt by refraining from saying things like, "Your toys are costing us way too much money."** Negative messages like these turn money and spending into a punishing, guilty concept for children. Likewise, do not use fear and stress tactics (e.g., "You had better start saving for college or you will end up flipping burgers for a living") to motivate your child's money habits.
- **Buy educational DVDs and computer software on money.** There are many children's titles on the market that teach kids important money lessons via fun cartoons, friendly graphics and catchy songs.
- **Teach the value of giving and sharing.** While it is vital for children to learn how to earn and spend money responsibly, it is just as important to teach them about the joys of giving money and gifts to others, sharing their time and resources and contributing to worthy causes. Stress that giving is its own reward: the satisfaction of knowing that you have helped someone in need and made someone happier with your gift. Help your child get involved in school-sponsored fundraisers like pledge drives and candy sales. Encourage him or her to give a toy to a charity for underprivileged kids or to offer up a portion of his or her allowance to your place of worship.
- **Praise your child's good habits.** Compliment and applaud your child when he or she saves or donates money.

Remember that there are many ways to teach children the value of money, but the best way is by setting a good example as a financially responsible role model. Avoid arguing with your spouse about money matters in front of your children, and try not to be too materialistic in your purchasing tendencies.

Here when you need us.

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