

Image via [Pexels](https://www.pexels.com/photo/mother-giving-her-daughter-her-allowance-4968395/)

Is It Time to Teach Your Child Financial Literacy? Here Are Some Practical Tips to Get You Started

Teaching your kids about managing your money is an essential part of parenting. After all, everyone eventually develops financial habits—good or bad. If you want to be the one who teaches your children how to spend and save responsibly, then you can’t keep pushing it off after you’ve realized they are ready.

As with other things in life, the prospect of helping your child develop a healthy relationship with money can feel daunting. Here’s a practical starter guide from [Education Exchange](https://educationexchangellc.com/)!

**Establish an allowance.**

Perhaps the best way to give your kids first-hand experience with finances is to begin giving them an allowance. DFW Child magazine explains that along with teaching them to be [intentional](https://dfwchild.com/the-dos-and-donts-of-giving-your-kids-an-allowance/) about how they spend and save, an allowance will expose them to the real-life risks of impulse buying. You can give your kids a few dollars each week, one dollar for each year of their age, or base the amount on chores they complete around the house, among other strategies. Giving them a [savings chart](https://funcheaporfree.com/allowance-101/) helps them visualize their personal funds better, too.

**Shop together.**

What better way to teach your kids about shopping than to take them with you on your errands? For example, bring your child to the grocery store and explain before you walk in what your budget is and what you need to purchase. Each time you pick up an item, explain why you chose it over an alternative, and teach them how to incorporate coupons and discounts. You can even give them flash cards so they can even shop alongside you, [scavenger hunting](https://www.moneyprodigy.com/grocery-games-kids/) for the best deals.

**Discuss the costs of ownership.**

Being an adult comes with serious financial responsibilities. While there are definite benefits to owning a home, a vehicle, and a business, it is important that you know how to manage each of them appropriately. For example, explain to your kids how, in most states, every homeowner must pay a [certain amount](https://www.redfin.com/guides/what-are-property-taxes) in property taxes. If your child learns the process now, they will be much better off in the future. When you sit down to calculate your taxes, invite your child to sit with you and explain how it works.

In most states, drivers must pay for insurance on the vehicle they own. As with property taxes, PocketSense suggests explaining the [process](https://pocketsense.com/explain-insurance-kids-5832970.html) of paying your car insurance and comparing it to your family’s monthly budget. And in the unfortunate instance that your car needs a repair due to an accident, consider taking your kids with you to the repair shop to get an estimate; this will also give them a first-hand look at how insurance comes into play in the event of an accident.

If you are a business owner, you can take the opportunity to teach your child valuable entrepreneurial principles concerning money. For example, go through the process of brainstorming business ideas, researching those ideas to select a viable one, and turning that idea into a business plan. Then, teach them what small business budgeting is like, [how to find](https://www.zenbusiness.com/blog/financing-source/) the financing they need to get started, and how to manage their business for the long run.

**Make a game of it.**

Kids tend to learn more whenever they are [having fun](https://cognitiontoday.com/why-fun-improves-learning-mood-senses-neurons-arousal-cognition/). So, why not make financial literacy an activity your child can look forward to? This can also be fun for parents, especially if you make a family game night with Life, Monopoly, or other [classic games](https://amyboyington.com/money-games-for-kids) that include a financial element. When playing games like these, help your child strategize and make decisions; you might be surprised by how experiences like this can help them budget and plan later in their life.

If you think your child is ready to learn about money, don’t procrastinate on teaching them. Implement the tips above to get off to a strong start, and keep researching other ways that you can help guide your child to financial literacy. In no time, you will be a proud parent of a financially responsible kid.

*Need a tutor for yourself or your child? Need guidance finding out ways to best meet your child's learning needs? Think you can't afford tutoring?* [*Education Exchange*](https://educationexchangellc.com/) *can help! Find out more today by calling (252) 991-6668.*