



How to Teach Kids

Great Money Habits.

TIP #1

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by sallie mae



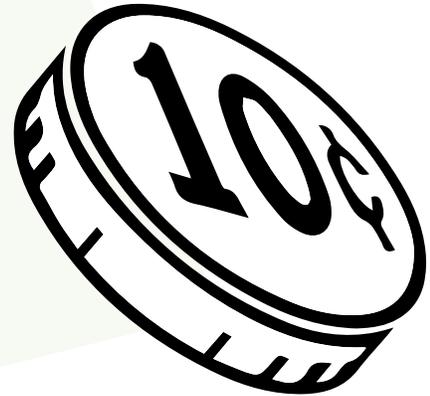
In a nutshell

Your kids will learn about money. It's unavoidable!

Who do you want them to learn from?

What do you want them to learn about money? **When** do you want them to begin learning?

These are the essential questions every parent must answer!



Where Learning Begins

Learning begins at home PERIOD.

Kids learn all the time. They are “7-24” learning and mimicking machines. They will learn from:

1. Parents – unintentionally and possibly intentionally. That is your KEY choice.
2. Others – like family members, friends, consumer product advertisers, credit card companies, etc.

“If you do not teach your kids anything else about money, make sure to teach them this – saving is a great habit!”

Sam X Renick
Award Winning Author and Financial Educator

Ask yourself:

1. What kind of a future do you want your child to have? Will they be able to attain it and sustain it without being financially literate?
2. Do you want to be a primary influencer or a secondary influencer in preparing your child to systematically and predictably advance their financial independence and wellness?
3. Are you willing to invest in your child/ children and their future, putting the time in teaching them to develop great money habits? Or, are you fine with it happening without intention and supervision, giving others the opportunity to be significant influencers based on their values, priorities and agendas?



Heads up!

Remember, if you do not consciously take charge of teaching your kids about money, others will!



When Learning Begins

The learning of money habits, attitudes, and feelings starts early. And it begins much early than many parents, teachers and experts realize.

Studies show learning may begin as early as in the womb.

Heads up!

When it comes to money, research from the University of Cambridge reflects adult money habits and attitudes are set by age 7.

Kids use their eyes and ears to observe, listen and absorb clues from birth. They use all they see and hear to form feelings, attitudes, and habits about everything that influence their behavior often unconsciously and without thinking.

The fact kids are learning about money at young ages becomes immediately discernible the moment they utter phrases like: “I want” and “Give me.” It is a clear indication consumer indoctrination, and the shaping of habits, attitudes and feelings are underway. We can predict with reasonable certainty that indoctrination is not developing “savvy” consumer behavior.



Heads up!

The basics will lay a stable foundation that will set kids up for sustained and growing success throughout their lives.

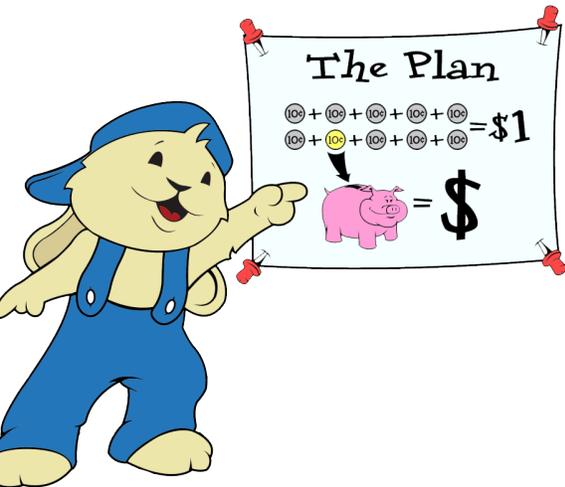
What to Teach Young Kids About Money

Take advantage of early childhood to shape and give your kids money lessons, experiences and memories.

You want to introduce kids to and teach them the basics.

Heads up!

Learning should be life-long. Education is a process.



Basics include – saving, earning, spending smart, goal setting, giving and compound interest.

Build from there. You want them to develop – planning, choice-making, prioritizing and organizing skills.

You want to get them budgeting which is an extension of smart spending and making thoughtful choices. You want them to understand nothing is free and there is an opportunity cost for everything.

Then keep adding topics like – inflation, investing, taxes, credit, insurance, etc.

The Single Most Important Money Habit You Can Teach Your Kids

If you do not teach your kids anything else about money, make sure to teach them this!

TIP 1: Teach your kids to get in the habit of saving money.

Start building that habit immediately. Today!

Here is why: Saving money has multiple benefits. It teaches more than money management. It sets kids up for life-long success across all endeavors. It teaches, develops and or builds:

- Delayed gratification, self-regulation – the “mother skill” and ingredient identified with all sustained success
- Discipline
- Planning skills
- Goal setting skills
- Confidence and self-esteem.

Heads up!

Regular, habitual, routinized, automated saving (and investing) are the foundation for financial security, stability, growth, freedom and wellness.

TIMELESS WISDOM



Deposit this timeless wisdom in your kids heads and hearts!

“The **habit of saving is itself an education; it fosters every virtue, teaches self-denial, cultivates the sense of order, trains to forethought, and so broadens the mind.**”

T.T. Munger

“If you would be wealthy, think of saving as well as getting.”

Benjamin Franklin

“**Frugality** includes **all the other virtues.**”

Cicero

“Don’t **save** what is left after spending; **spend** what is left after saving.”

Warren Buffett

“Saving is a great habit!”

Sammy Rabbit

Heads up!

Raising children with great money habits is a series of ongoing observations, conversations, experiences and adjustments. There are not any secrets or silver bullets. You and your children will get out of the process exactly what you put into it. If you pour enthusiasm into your parent teaching, you and your kids will enjoy it more. If you and your partner get on the same page, your chances for better results increase. And do not be surprised if your own money habits and finances improve.

How To: Actions

Learning is typically best when active. Kids will largely mirror your behavior. Kids will forgive a lot when they sense your message is genuine.

Keep it simple. Be consistent.

- Start by introducing your kids to storybooks, songs, videos, activities, and experiences that emphasize the importance of making and or getting in the habit of saving money!
- Read them books like: *It's a Habit*, *Sammy Rabbit*, *Sammy's Big Dream*, *the Berenstain Bears Dollars and Sense*.
- Listen to and have discussions about songs like *Sammy Rabbit's "Get in the Habit"*, *"S-A-V-E"* and *"The Secret!"*
- Make sure your child has their own "transparent" savings jar or piggy bank in a very visible place in their room. Deposit coins and bills with them regularly. Turn this depositing experience into a family tradition – whether it is daily, weekly, monthly. Have fun. Shake that bank. Enjoy the sound of saving. Count the coins. Organize the coins. Discuss what the goal of the savings is.

- Have a “family” savings jar or piggy bank. Place it in a visible place – the family room, the dining room, the kitchen. Deposit to it regularly. Be sure your kids see you making those deposits. Have them participate.
- As you determine appropriate, provide your kids incentives and rewards that reinforce their habit of saving.
- Be sure to incorporate the word “habit” into your everyday dialogue. Expose to your children to it as often as possible. “Brushing our teeth is a great habit.” “Reading daily is a great habit.” “Choosing the right habits helps us lead happier and healthier lives!”

Advance and Compound the Learning

For additional tips, information and resources visit:

SmartyPig.com and **SammyRabbit.com**

