

How can I teach my preschooler about earning money?

Children often want to buy things that cost more money than they have. They also are aware that people receive money for work. Giving them ways to earn money to reach their goals helps them learn to plan and save. Earning also helps teach children to be proud of a job well done.

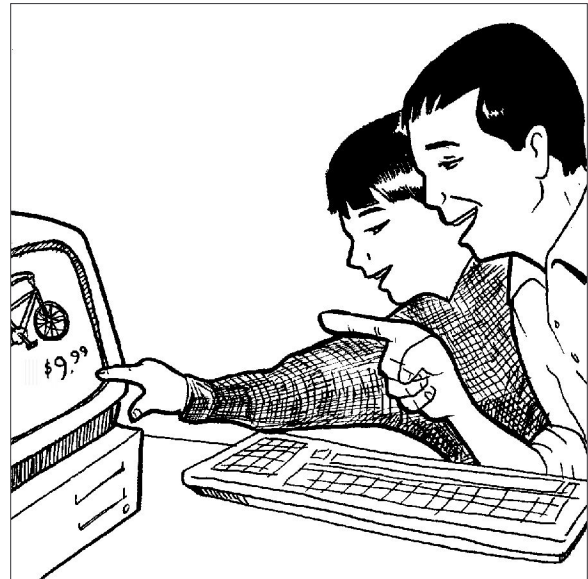
A Paid Chore

Materials needed:

- Paper, pencil, pen, crayon, or marker
- A monthly calendar or chart

Step 1: Explain what you will be doing together (read through entire activity before you begin)

The two of you will plan a regular chore that your child can do to earn money. Explain that earning is a way to get the money to reach spending goals faster.



Explain that earning is a way to get the money to reach spending goals.

Step 2: Think together



Agree on a chore that fits your child's abilities.

Talk with your child

about all the different kinds of work that family members do around the house. Examples:

- | | |
|-----------------|----------------------|
| • Wash dishes | • Prepare meals |
| • Make beds | • Care for pet |
| • Do laundry | • Carry out garbage |
| • Vacuum rugs | • Clean bathroom |
| • Get mail | • Shop for groceries |
| • Put toys away | • Set table |
| • Mow lawn | • Shovel snow |

Step 3: Choose a paid chore

Help your child choose a paid chore. Agree on a chore that fits your child's abilities. Pick a chore that needs to be done regularly, perhaps weekly. (continued)

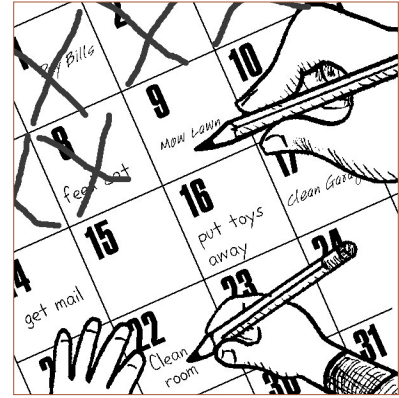
Step 4: Agree on what to pay

Talk with your child about how much you will pay for the chore. Choose how much to pay and then explain how much that amount could buy. For example, 50 cents might buy your child ice cream or a favorite snack at the mall.

Try to agree on a rate of pay that fits the amount of work and the size of your child's spending goals. Pay that is too low will discourage your child. Pay that is too high will raise unfair expectations. It is easier to start low and add more later.

Step 6: Schedule the chore

Help your child use the calendar to show the first time the chore is done. Show how to use the calendar to mark the next time your child will do the chore. Show how to cross off each day at bedtime on the calendar. Remind your child the day before it is time to do the chore again.



Show how to use the calendar to mark the next time to do the chore.

Ideas to talk about

- ★ Family members do things for each other every day without being paid.
- ★ Grownups often earn money by working outside the home.
- ★ There are many different kinds of jobs for grownups.
- ★ Different jobs pay different amounts of money.
- ★ A calendar is a good way to keep track of many future events.

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Instead of a calendar, you can use a homemade chart to keep track of when the job is done. Help your child mark completed jobs with stickers, markers, or glitter.

Decide what you believe about children's responsibilities for unpaid family chores. Decide what you believe about giving children allowances. Find more about these topics in Other Resources – part of the Thrive by Five™ section of www.creditunion.coop.

This activity goes well with “A One-Dollar Treat” (in “How can I teach my preschooler that when money is spent, it is gone?”).

Find more “How can I teach my preschooler about money” activities at www.creditunion.coop.



How can I teach my preschooler that gifts do not have to cost money?

Children often assume that people must buy gifts at a store. However, many gifts that children can make at home do not cost any money. Doing something fun with someone can be a special gift. Helping someone with a chore can be a gift as well.

A Gift Card

Materials needed:

- Plain paper or construction paper
- Pencils, pens, crayons, or markers

Step 1: Explain what you will be doing together (read through entire activity before you begin)

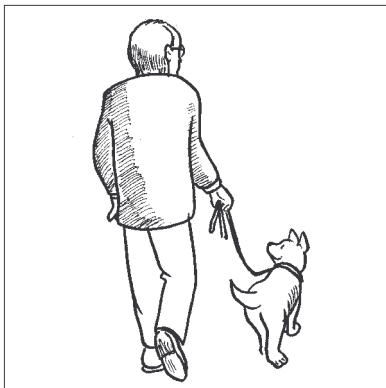
The two of you will make a gift card for a special person. Explain that this card is a promise to do something with the person later. Have your child think of a friend or family member to give a gift card to.



A gift card is a promise to do something with someone later.

Step 2: Think together

Choice A: Talk with your child about what the special person likes to do for fun. Ask if your child would like to do any of these fun activities with the person later. Examples:



Think about chores a person might like help with.

- Get a backrub
- Talk with visitors
- Make a healthy snack
- Walk in a favorite park
- Play a game
- Share photographs
- Draw or color pictures
- Sing songs

Choice B: Talk with your child about the chores this person might like help with. Ask if your child would like to do any of these chores with the person later.

Examples:

- Walk the dog
 - Fold clean clothes
 - Bag newspapers for recycling
 - Dust furniture
 - Weed a garden
- (continued)

Step 3: Make the gift card

Have your child draw a picture of the fun activity or chore on the card. Label the drawing and help your child sign the card. If possible, take your child to deliver the card in person. (You can give your child a gift card that you made in advance as an example.)

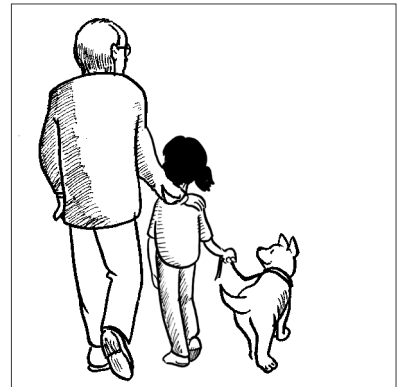
Ideas to talk about

- ★ Sharing time or work is a special gift because of our love for another person and the fun of being together.
- ★ Doing something for someone can feel as good as having someone do something for you.
- ★ Family members do things for each other every day without being paid.
- ★ People in the neighborhood also do things for each other for free.
Examples: Giving a friend a ride in a car, coaching a sports team.

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Make sure that your child does what the gift card promises. Encourage the person who gets the card to ask your child for the gift within a couple of weeks. This will show your child the value of the gift.

Find more “How can I teach my preschooler about money” activities at www.creditunion.coop.



Make sure your child keeps the gift card promise.



How can I teach my preschooler that having fun does not have to cost money?

Today's children need to be reminded of fun activities that are free. Many family activities do not cost any money at all. You can do them in your own home, without any special supplies.

A Fun-for-Free Box

Materials needed:

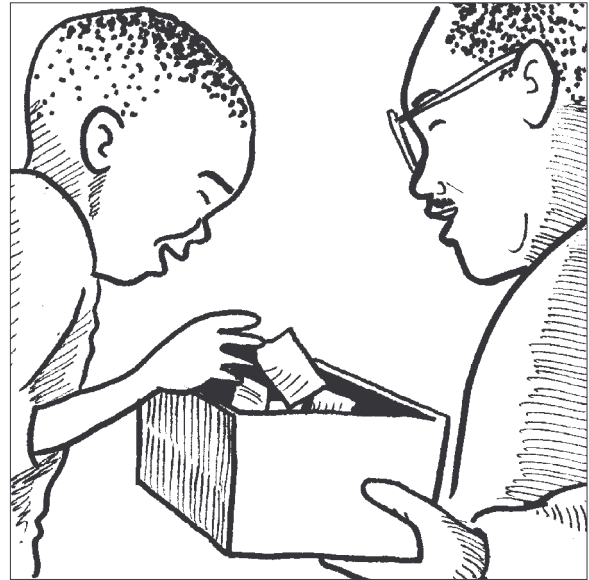
- Plain paper or construction paper
- Pencils, pens, crayons, or markers
- A small empty box, such as a shoebox

Step 1: Explain what you will be doing together (read through entire activity before you begin)

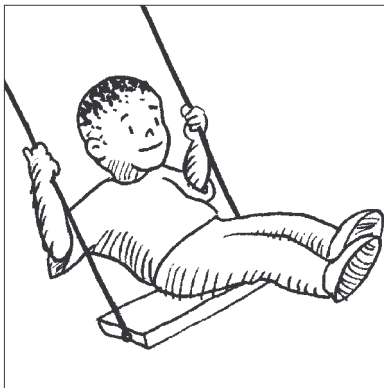
The two of you will make a list of fun activities. This list will have all the things that you and your child enjoy that do not cost any money.

Step 2: Make a list of fun activities

Ask what types of activities your child likes to do for fun. List those that do not cost money. You might have to suggest



Each piece of paper has the name of an activity on one side and a drawing of the activity on the other.



Suggest examples of free activities to get your child thinking.

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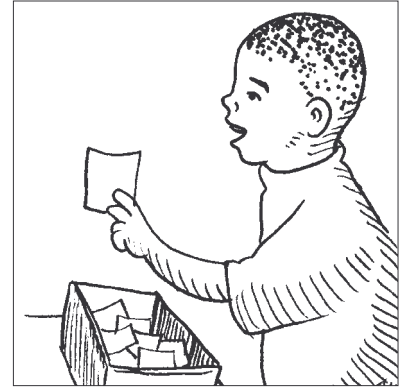
Examples:

- Playing on a swing
- Coloring, painting
- Singing
- Dressing up
- Reading a book
- Walking the dog
- Picking flowers
- Playing a board or card game
- Drawing with chalk on the sidewalk
- Making an "obstacle course" with pillows and soft furniture

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Step 3: Make activity notes

Cut a large piece of paper into squares. On one side of one square, write the name of an activity from the list. On the other side of the square, help your child draw the activity. The drawing (and the word) will remind your child of each activity. Put each finished note in the box.



When your child is bored, suggest looking at all the notes.

Step 4: Use the notes as reminders

Keep the activity notes in the box. Add a note with a picture each time your child learns a new way to have free fun. When your child is bored, suggest looking at all the notes. They will give your child many choices for fun activities that save you money.

Ideas to talk about

- ★ Many fun things do not cost money.
- ★ Free activities can be fun to do alone or with friends.
- ★ Some things that seem to be free, such as food in the refrigerator, really cost money.
- ★ Love, hugs, and friendship are also free and feel good to give and receive.

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You can use the notes themselves as another fun activity. Let your child pick one of the activity notes from the container without looking at it. Have your child hand you the note. Act out the activity without words and let your child guess what it is. Let your child trade places and do the acting for you to guess.

Help your child think of free things to do outside the home. (Examples: Borrow a book from the library. Visit a playground with a friend. Take a nature walk.) Check your local newspaper for special free events.

Find more “How can I teach my preschooler about money” activities at www.creditunion.coop.



How can I teach my preschooler that when money is spent, it is gone?

Young children often have trouble understanding that you can spend money only once. For example, after buying and eating candy, they might expect to be able to buy and eat more right away. Or, if they change their minds about a purchase, they might expect to be able to get a second choice without needing more money.

It helps to show young children that spending money means giving it up. A dollar store or the dollar aisle at a thrift store is a good place to teach this.

A One-Dollar Treat

Materials needed:

- One dollar

Step 1: Explain what you will be doing together (read through entire activity before you begin)

Plan a special shopping trip. Explain that you will give your child one dollar to spend at the store.

Step 2: Explain the shopping rules
Set the rules for this activity before you leave the house. Make sure your child knows the rules by repeating a few of the most important ones. Examples:



Give your child money to make one purchase only.

- You will give your child the money to make one purchase.
- Your child will not be able to make a second purchase today.
- Your child can (or cannot) buy certain items (such as candy).
- You might (or might not) give your child money to buy a treat in the future.
- This is a special treat for your child. Explain that there will not be a special treat every trip to the store.

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Make sure your child knows your shopping rules by repeating the most important ones.

Step 3: Help your child buy the item

If your child has followed all your shopping rules, help with the one-dollar purchase. Try not to rush your child. You can help your child choose by asking questions. Examples for choosing an item:

- Which item will be the most fun?
- Which item will last the longest?
- Which item can you enjoy with a friend?

Ideas to talk about

- ★ Buying something means giving up money for an item. Money you spend is gone for good.
- ★ Buying something means making a choice because you cannot buy everything you want.
- ★ Shoppers in a store must choose carefully to avoid being disappointed with what they buy.

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Don't take away the one-dollar treat as a consequence of misbehaving. If your child misbehaves while shopping, use a different punishment than the activity, such as the loss of TV time or dessert.

Increase the amount of money an older child can spend on the special treat.

Allow the child to purchase items for family or friends.

This activity goes well with "Shopping Helper" (in "How can I teach my preschooler to help with the shopping?") and "A Paid Chore" (in "How can I teach my preschooler about earning money?").

Find more "What your preschooler should know about money" activities at www.creditunion.coop.



Help your child choose by asking which item can be fun with a friend.



How can I teach my preschooler to wait to spend money?

Children need to practice waiting to become good at it. Savings charts can help them learn how to wait to spend money. Charts can show how much money children have saved and how much more money they need. This can encourage them to keep saving.

A Savings Chart

Materials needed:

- Plain paper
- Pencils, pens, crayons, or markers
- Scissors, glue
- Newspaper or magazine ads, empty cereal box

Step 1: Explain what you will be doing together (read through entire activity before you begin)

The two of you will make a savings chart. Explain that it will help your child buy something at the store that costs more than your child has now.

Step 2: Pick a spending goal

Ask what your child might want to buy at the store. Have your child think of a small item at first. Starting small helps your child reach the goal faster.

Step 3: Plan the savings chart

Find out the price of the item your child wants to buy. Decide how many coins (or dollars) your child needs to save to buy the item. Each part of the savings chart will stand for one coin (or dollar) needed to purchase the item.

Important:

- Don't forget to add sales tax, if any, to the item's price.
- Most preschoolers find it easier to save coins than bills.
Example: \$2.00 = eight quarters or 20 dimes.
- Use the same coin (or bill) for each part of the chart. Make sure that your child knows what coin (or bill) each part stands for. (continued)



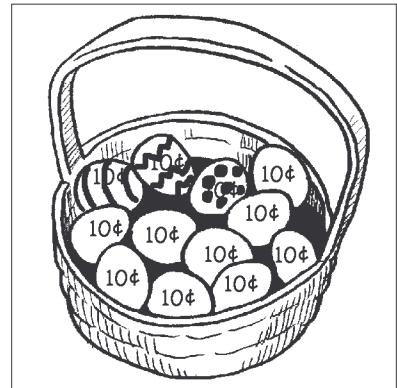
Draw as many boxes as there are coins (or dollars) in your child's savings goal.

Step 4: Make the savings chart

Choice A: Draw boxes on a plain sheet of paper with a pen or marker. Draw as many boxes as there are coins (or dollars) in your child's savings goal. For each coin (or dollar) saved, let your child color in (or put a sticker on) one box.

Choice B: Help your child make a drawing. Objects in the drawing can stand for coins (or dollars) in your child's savings goal. For each coin (or dollar) saved, let your child color one object. Here are some examples:

- Eggs in a basket
- Steps on a path
- Birds in a flock
- Leaves on a tree



For each coin (or dollar) saved, let your child color one object.

Choice C: Find an ad showing the desired item. Cut out the picture and glue it on cereal box cardboard. Cut the picture into jigsaw puzzle pieces for the coins (or dollars) needed to reach the goal. Give your child one puzzle piece for each coin (or dollar) saved until the puzzle is complete.

Step 5: Start the savings chart

Write “[Child’s Name]’s Savings Chart” at the top. If your child already has some money, record it on the chart. You will have to help your child figure out how many parts of the chart to use.

Ideas to talk about

- ★ When people do not have enough money to buy something, they wait until they have saved enough.
- ★ Saving is a way to get something you want by yourself instead of hoping someone will give it to you.
- ★ You can save to buy things for others, too.

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Praise your child for making progress toward the savings goal. Small rewards such as sticker or food treats can help your child keep saving.

Making a savings chart goes well with “A Money Holder” activity (in “How can I teach my preschooler to not lose money?”). Find more “How can I teach my preschooler about money” activities at www.creditunion.coop.



How can I teach my preschooler to help with the shopping?

Young children sometimes want to help their parents shop. Giving them simple jobs at the store can make them feel that they are helping. One simple job is to help you find some items on your shopping list. This also can help show them how you make buying decisions.

Shopping Helper

Materials needed:

- Paper, glue or tape, and scissors
- Grocery ads from the newspaper
- Pencil, crayons, or colored pencils

Step 1: Explain what you will be doing together (read through entire activity before you begin)

Tell your child you need help at the grocery store. Explain that your child will help you find some of the items you need to buy.



Decide together which items on your list your child will help you find.

Step 2: Prepare your child's list

Read your written shopping list to your child. Decide together which items on the list your child will help you find. (Think of items your child can reach and hold safely, whether walking or sitting in the shopping cart.)

Help your child find those items in newspaper ads and cut them out. On a sheet of paper, glue or tape pictures of the items that your child will look for at the store. If you cannot find pictures of some items, let your child draw them. This sheet will be your child's list.

Step 3: Set the rules

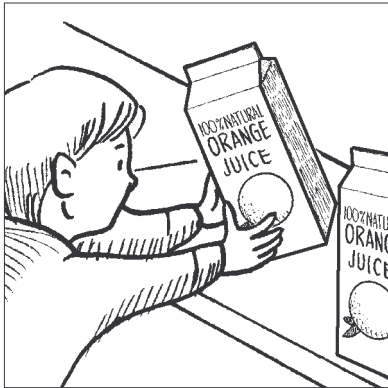
Set the rules for this activity before you leave the house. Make sure your child knows the rules by repeating a few of the most important ones. For example:

- Your child must not take items off the shelf without your permission.
- You might decide to buy items not on your list, but your child cannot.
- Your child must stay with you at all times.

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Step 4: Shop together

Help your child pick out items on the list and put them in the shopping cart. Help your child mark items off the list as they are put in the cart.



Think of items that your child can reach and hold safely.

Ideas to talk about

- ★ Shopping means making choices. Some examples are deciding which size package to buy, how many packages or items you need, and how much money to spend.
- ★ Deciding to buy something at a later date is also a shopping choice. So is deciding not to buy a certain item at all.
- ★ People make shopping lists to remember what they need to buy. Lists also help them avoid spending more money than they planned.
- ★ Shopping is a chore that family members help each other with. Other ways to help include carrying shopping bags and putting food away.
- ★ Shoppers compare prices and choose items that cost less or are on sale.

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To start, plan a shopping trip when you have only a few things to buy and are not in a hurry.

Letting children help might add extra time to shopping trips at first. However, in time, shopping with your children's help can take less time and be more fun.

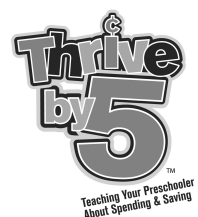
With experience, your child will be able to give you more shopping help. When buying multiple items such as fruit, help your child count out the correct number. Help older children write the names of items next to their pictures. In time, you should be able to skip making a separate list for the child.

This activity goes well with “A One-Dollar Treat” (in “How can I teach my preschooler that when money is spent, it's gone?”).

Find more “How can I teach my preschooler about money” activities at www.creditunion.coop.



Help your child count out the correct number of multiple items such as fruit.



How can I teach my preschooler about using money to buy something?

Children often see adults exchanging coins and bills when they buy things. However, they do not usually get a chance to see and count the money. Playing store is a good way for children to learn how to use money to buy things.

A Play Store

Materials needed:

- Pennies (as many as you can find), small slips of paper, a pencil, and a roll of clear tape
- Chairs and low tables can be shelves and a checkout counter
- Favorite toys and other personal items for sale
- Optional materials: play cash register or cardboard box, paper bag (to carry “purchases”), and a wallet or purse



Decide how many pennies each item costs.

Step 1: Explain what you will be doing together (read through entire activity before you begin)

The two of you will set up a make-believe store. Your child will be able to pretend to buy and sell items at the play store.



Your child “buys” items by matching pennies.

Step 2: Choose the items for sale in the play store
Help your child choose favorite personal belongings to sell in the pretend store.

Step 3: Decide penny prices

Decide how many pennies each item costs. Start with one to ten pennies. Help your child put the number of pennies needed to buy each item on a piece of clear tape. Make sure you set half of the pennies aside for your child to purchase the items. These coins will show how many pennies are needed to buy the item.

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Write the number of pennies needed to buy each item on a small piece of paper. Explain to your child that this is the price tag. Tape the pennies to the price tag. If your child can recognize numbers without your help, try setting prices using numbers only.

Step 4: Shop at the play store

Tell your child that you will pretend to be the cashier at the store. Your child can pretend to be the shopper. Give your child enough pennies to buy several items. Let your child select items to buy. Your child can pay for each item by matching the number of pennies. Help your child count out the pennies for each item.

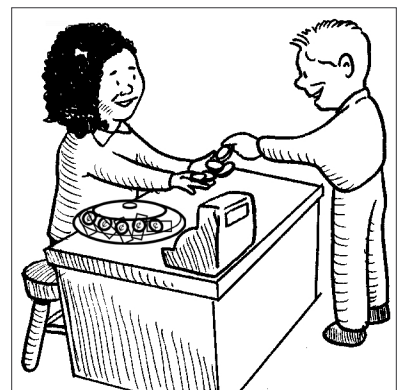
Ideas to talk about

- ★ Buying something means exchanging money for it.
- ★ The amount of money needed to buy something is called its price. Different items have different prices.
- ★ Coins (and paper money) have different values.
- ★ Shoppers who don't have enough money for something have two choices. They can save to buy it another time or they can buy something else.

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Make playing store more interesting by changing the "rules." Examples:

- Trade places and let your child be the cashier and you be the shopper.
- Help your child set up and play store with a friend.
- Tape one or two nickels to items and let your child buy them by matching the price with the correct number of pennies. As your child learns the coins' values, add dimes and then quarters to the play store.
- Teach older children how to show and read prices with dollar signs and cent signs.



Help your child set up and play store with a friend.

This activity goes well with "Shopping Helper" (in "How can I teach my preschooler to help with the shopping?").

Find more "How can I teach my preschooler about money" activities at www.creditunion.coop.



How can I teach my preschooler to not lose money?

Many preschoolers misplace money. This is because coins are small and hard to keep track of. Young children also do not understand how much each coin or dollar is worth. Having a special money holder helps young children get used to putting money in one place. Taking coins and bills out of the holder for spending helps children understand their values.

A Money Holder

Materials needed:

- Jar or other container with a lid, such as a plastic butter tub
- Construction paper
- Tape or glue
- Markers or crayons
- Magazines or catalogues

Step 1: Explain what you will be doing together (read through entire activity before you begin)

The two of you will make a special money holder. Your child can keep money in this holder until it is time to go to the store. Make it clear that your child can decide how to spend the money in the holder.



Help decorate the holder with pictures of items that your child might like to buy.



Remind your child to put money in the holder.

Step 2: Decorate the holder

Help decorate the holder with drawings or pictures of items your child might like to buy. Glue or tape the drawings and pictures to the holder. Write “[Child’s Name]’s Money Holder.”

Step 3: Put money in the holder

Remind your child to put coins and bills in the money holder. This money might come from gifts. Your child also might earn it doing simple jobs at home.

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Step 4: Spend the money in the holder

Let your child take money from the jar the next time you go to the store. Help your child match the money needed to buy something with its price tag. When spending the money, praise your child's success in not losing it.

Ideas to talk about

- ★ People decide how and when to spend money *before* they go to a store.
- ★ Money has value because you can trade it for something else.
- ★ Putting money aside to spend later is called saving.
- ★ Saving allows you to buy something in the future when you do not have enough money today.
- ★ You can keep track of money by putting it in a special holder at home.
- ★ You do not have to spend all the money in your holder. What you do not spend in one day you can save and spend another day.
- ★ Spending, saving, and sharing are ways to use money.

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Use this activity with your child's older brothers and sisters. Older children, of course, might not need as much help.

Consider an allowance for your child. Having a steady income can help your child learn to use money wisely.

Your child can use the money holder to keep savings in. This activity goes well with "A Savings Chart" (in "How can I teach my preschooler to wait to spend money?").

Your child can use another holder labeled "Spending" to keep money to spend at the next opportunity.

Your child can use another holder labeled "Sharing" to keep money to buy gifts or give to charity.

This activity goes well with "A Paid Chore" (in "How can I teach my preschooler about earning money?").

Find more "How can I teach my preschooler about money" activities at www.creditunion.coop.



Your child can make a "Sharing" holder for money to buy gifts or give to charity.





Tips for Teaching Preschoolers About Money

Children are born learners. By age five, they know a lot about themselves and the world. They also think they know a lot about money. But the rules for using money are not simple. They see people use money, checks, and credit cards to buy things. This can be confusing.

Children learn by example and experience. As they get older, some learn to handle money well and avoid problems. Others learn to live paycheck to paycheck in a state of constant worry. Here are tips for teaching preschoolers some basic rules for smart money use.

Reassure your child. Tell your child that you will provide food, clothing, and shelter. In times of crisis, such as a death in the family or the loss of a job, these messages are important.

Look for the “teachable moment.” You do not need a classroom to teach. A “teachable moment” is any time that your child is ready for new ideas. For example, getting cash from an ATM is a good time to explain that you put money into the credit union or bank earlier. The machine gives you your money back when you need it.

Know when the teachable moment is over. Preschoolers do not pay attention very long, sometimes only a few minutes. When you teach, stop as soon as your child’s mind wanders. You can teach more when you get another chance.

Keep it simple. Do not try to explain too much at a time. Young children learn more from a few short lessons than from one long lesson.

Ask “open-ended” questions. A single word can answer a “close-ended” question. (Examples: “Is the man working?” “What color is the man’s uniform?”) An “open-ended” question needs a longer answer. (Examples: “How can you tell the man was working?” “What happened when you took the toy to the checkout counter?”) Open-ended questions help children observe and learn more.

Try new things. Look for ways to change lessons to fit your child’s interests and abilities. For example, you can change many of the activities on this web site to use with a group.

Build on past learning. Children learn at different rates. There is no “right age” to teach a lesson. Children’s questions can come up at any time and in any order. Whenever your child shows an interest in an idea, connect it with other ideas that you have already talked about.

Let children make mistakes. Losing money and being unhappy with poor spending decisions are more effective lessons than a lecture.

Appeal to all the senses. The more senses that children use in learning, they more they will remember. Try to teach using sight, sound, touch, smell, and taste.

Read together. Books help explain the adult world. Read to your child and visit the public library often.

Play together. Children learn by playing. Make learning about money fun. Joining your child in play can lead to many teachable moments.

Plan together. Involve your child in family decisions. For example, children who help decide what to do on vacation are more likely to accept spending limits.

Watch TV together. Preschoolers cannot understand the difference between TV programs and commercials. Choose TV shows to watch with your child. Talk about the ads and what they are selling. Explain that choosing what to buy is like choosing what TV shows to watch.

Stick to your rules. To lower the chance that your child will misbehave in stores, set some shopping rules. Describe the actions you expect and what will happen if your child breaks a rule. Ask your child to repeat the most important rules before each shopping trip. Then enforce the rules calmly, no matter what.

Set a good example. Let your child see you using money wisely. For example, model how to make a shopping list. Show how you decide which items to buy and how you set spending limits for yourself.

Consider an allowance. Allowances are a good way for children to learn to make their own money decisions and live with them. As your child grows and becomes more responsible, increase the allowance amount as a reward.

Find “How can I teach my preschooler about money” activities at www.creditunion.coop.

