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**IO3 – Module 7 Tips Sheet**

**Family Learning**



Parents are their children's first and most effective teachers, so family is the perfect environment to teach children how to powerfully manage money. Here you can find some tips on how to teach children about money according to their age:

**HOW TO TEACH KIDS ABOUT MONEY**

**PRESCHOOL AGE**

**2-3 years old**: start with the basic words and elements, such as the SHAPE OF THE MONEY and WHERE MONEY COMES FROM.

You can start drawing money with your children (both coins and notes) at home, while explaining the value of each of them and the difference between them (e.g. which one is worth more, etc.). You can also show them the real money and ask them to guess which coin or note you can buy the most with.

-**4-6 years old**: at this age, children are able to learn the concept of **money**, as they know numbers and are able to recognise, for example, how coins there are on the table.

From this moment parents could start talking with their children about concepts such as: **the difference between NEEDS and WANTS:** NEEDS are things the family must have to survive; WANTS are things you like, but you could survive without. **Savings and budgeting:** with a given amount of money you must first buy the necessary things and then you can choose whether to spend the rest of the money (if any) on what you would like or to save it**. How to earn money:** by explaining the meaning of work (or government support) and then where money is kept (bank).

**1**

**SCHOOL AGE (6-9 y/o)**

A good time to start talking about what they could **buy with a given amount of money** and the importance of **choosing between different options.** In fact, with the beginning of the elementary/primary school, children will be learning to add and subtract and it helps them to understand how much money is needed to buy something.

Also, at this age, parents can start giving children **financial rewards** for doing homework, or chores, such as a pocket money.

**2**

**PRE-TEENS (10-15 y/o)**

This is the perfect time to talk about the importance of not being heavily **influenced by advertising**.

Let children start **managing their money** and teach them about the **danger of debt**.

Support them to **plan** their **budgets** and learn how to manage them.

**3**

**TEENS (16 y/o onwards)**

From the age of 16 onwards, the young person has begun their path towards complete **independence** from their parents.

In this period, it can happen that the teenager asks their parents for more money, to go out with friends or buy something they want.

It’s always crucial to **set limits** and make your child understand that they can't always get all the money they want and must be careful how they spend their money.

Maybe the young person can be encouraged to do a **part-time job** so that they can better understand that they must earn the money and it is better not to waste it.

**4**

How to teach kids about money:

<https://www.annuity.org/financial-literacy/how-to-teach-kids-about-money/>

How to teach your kids about money :

<https://tinyurl.com/3md722hu>

Teaching kids about money – an age by age guide:

<https://tinyurl.com/4zx74ewz>

Teaching your children what money is used for :

<https://www.youtube.com/watch?v=gZyIp8pZbvI>

There are lots of additional resources to help you:

**Addressing the Topic**