



BACK-TO-SCHOOL

BOSTON PRIVATE

WEALTH ▫ TRUST ▫ PRIVATE BANKING

THE BASICS  
AND HABITS  
OF MONEY

## FINANCIALLY-SAVVY CHILDREN UNDER AGE 12

### STARTING THE CONVERSATION:

1. Ask your child to compare the cost of similar everyday items that have different prices and explain which one they would pick.
2. Talk about how much something costs and how long it would take to save the money to buy it if you only had \$10 a day.
3. Ask for your child's opinion about why people use money and what could be used instead.

### FINANCIAL TOPICS TO KNOW:

- Money and value from a penny to the \$100 bill** – Understand the values of coins and bills and how they rank and relate to each other. For example, you may show that five \$1 bills is the same as 20 quarters or one \$5 bill.
- Saving money** – Small frequent inputs can add up to a large output. A piggy bank is the perfect first tool for this lesson.
- Spending money** – Being comfortable making choices about how to spend—or whether to spend—money. Encourage children to avoid instant gratification.
- Sharing** – Whether by giving money or time, even the youngest children can understand the value of giving.

### ACTIVITIES TO HELP TEACH:

- Empty out your pockets or purse every evening and help them sort coins and rank them by value. Put them in separate bins. Once a month play a “how many coins do I have” guessing game.
- Give your children a hypothetical \$100 to spend on groceries for a week. They need to make a list that breaks down the cost of each item they choose until the \$100 is spent, without going over. Have them research prices either in a store or online.
- Sign up the family to volunteer at the local park or find sponsors for a fun walk. Put loose change in a holiday donation box.

### ACTIONS TO REINFORCE FINANCIAL FOCUS:

- Open a savings account.
- Create a plan to save up for something big.
- Introduce child(ren) to family financial advisor.

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