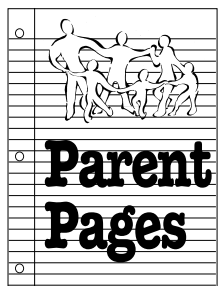


# Helping Children Handle Money



Loretta hoards her money and won't spend even when she should. Mark has been known to steal. Lisa spends her money quickly and with no thought for tomorrow, while John, always disorganized, has just lost his wallet with all his cash in it.

Are these adults with money problems? Could be. But they're really children who have not yet learned how to handle money. The problems they face with money are often very similar to ones that grown-ups face.

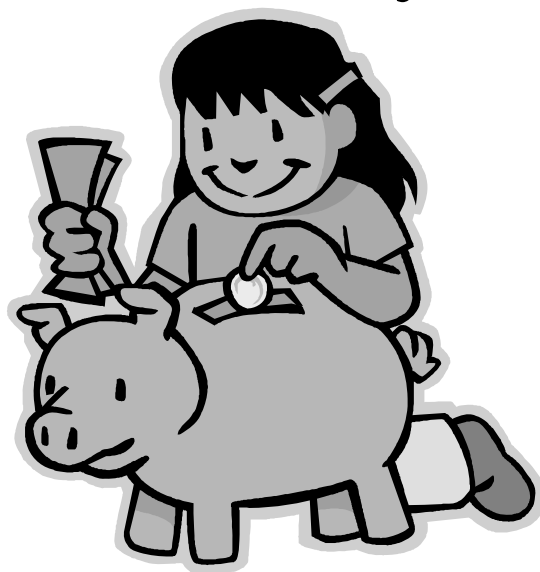
Money management is an important aspect of everyone's life and it should be learned in the early years. If any of the young people in your life seem to be having problems with money, you can do a lot to help them.

Children who lose money on a regular basis may not be mature enough to handle money. If money is lost once in a while, parents can help by trying to find a safe place to keep the money and ways to safely carry it to and from school or the store.

Children who hoard money may do so for a variety of reasons, ranging from a simple joy in stacking all their coins to a desire to save for a really special item. Or, it could be that they just can't decide what to spend their money on. Adults can assist by helping the child in the decision-making process and by suggesting alternative ways to spend money.

Children who steal will not necessarily turn into criminals, but this is a potentially serious problem requiring immediate attention. Children should return the stolen item and, for most children, being caught and having to return a stolen item is consequence enough. It may be helpful for the child to observe the parent explain and apologize to the store manager. If, however, the child continues to steal, parents may need assistance from a professional counselor.

When children are responsible for breakage - and the expense of repairing or replacing broken items - parents may want to ask their children to pay all or part of that cost, depending on the amount. Parents may point out that accidents occur but still cost money.



Often, children's problems with money mirror the adult world children may mimic. If Mrs. Brown uses money set aside for a dentist bill to buy a new dress, should she be surprised when her daughter uses her Christmas savings for candy?

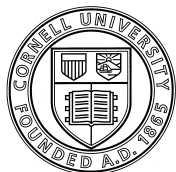
Parents should be clear in their own mind what they do and do not want for their children. They should set reasonable limits and be consistent. If a parent discovers a child is using lunch money to play video games, or otherwise spending money in a way that has not been agreed on, the parent should consider several possible remedies.

First, the parent needs to determine if the child is getting a large enough allowance. Ideally, allowance should cover essential, agreed upon expenditures and a little more for personal whims.

If the allowance is adequate but misspending still occurs, the child may have too many choices to face. Reduce the choices and the confusion by, in this instance, having the child pack a lunch at home rather than carrying lunch money. When it comes to money management, like most life skills, children need education, guidance and real-life experience.

*Source: Josephine Swanson and Jeanne Hogarth, Department of Consumer Economics and Housing, New York State College of Human Ecology, Cornell University. Parent Pages was developed by Cornell Cooperative Extension of Suffolk County*

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