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Priceless Money Lessons for Kids: Financial Literacy is a Gift That Lasts a Lifetime

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Did you know that kids who are more financially savvy are more prepared for life on their own? Our day-to-day lives are full of teachable moments that we can and should share with our children. Talking about money doesn't need to seem like a hard, scary topic.

In our house we have always had open dialogues with our daughters from an early age regarding money without making it seem like a sit down "lesson." It is as easy as having conversations while grocery shopping or browsing through Target. Get your kids involved by asking simple questions like how much does an item cost. Is it something we really *need* or something we *want*? (My girls know their mom will buy certain items only when they are on sale!) You can also have conversations about the need to save up for something before being able to purchase it and even discuss possible ways to earn money. Allow them to have some say in how they spend money. For example, let them choose between two smaller pieces of candy or buy one bigger one and experience the consequences of their choices.

Now, as a mom of two teenagers including one who is a senior and about to go to college, there are a lot of bigger financial conversations being had (and yes, much still comes back to need vs want!) It's so important kids learn about and develop a healthy relationship with money before they are handed a credit card for the first time. You can help set them up for success by teaching some essential skills. For example, teach them the basics of banking—how to use an ATM card, how to write a check (or make a payment online), how to deposit money into their account and how to balance their account. And make sure they realize the difference between what money is coming in, what money is going out and possibly needing to make adjustments to spending habits.

Some parents refrain from talking about money as they feel they don't have all the right answers or are embarrassed about mistakes they have made with their own finances in the past. When you're young and don't have much money, it's easy to rely too much on credit and jeopardize your financial future. Share stories about how you financed your first car or student loans, and explain in concrete terms how the interest rate affected the overall purchase price.

Through a purposeful approach, these important day-to-day interactions will help shape the way they approach their finances as they grow. In giving your child the gift of financial literacy, you're helping set them up for a brighter future.

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