

Teaching Kids About Money



Teaching your child how to budget is very important. In order to do this, your child must first have money to work with. As soon as your child can count, introduce them to money, and as they get a little older, try to explain the importance of saving money, making it grow, and how to spend it wisely.

Make Saving Fun... Use a Piggy Bank - A piggy bank is the first tool for a child when it comes to saving money. Most kids feel they have accomplished saving money when they hear the jingle of change in the piggy bank as they shake it.

Open a Savings Account - It is a great idea for you to open a savings account while your child is a baby. Many babies will receive monetary gifts for their birthday or christening. This would be a huge help in establishing your child's savings account. Once your child is old enough, they will enjoy going to the bank with you to deposit their money. LincolnWay Community Bank offers a Kids Count Savings Account to make saving money fun for your child.

Saving vs. Spending - Teach children the importance of saving their money versus spending it. For older kids, you can even explain the benefits of earning interest in a savings account and how interest is calculated. Once they see that their money can grow in a savings account, they may be even more encouraged to save their money.

Goal Setting - If your child wants to buy something, teach them to save up for that item. This is also a great way to motivate your child to save and to enjoy the process of saving towards their goal.