

Children and Money: Building Financial Capability

By Barbara O'Neill, Ph.D., CFP®, AFC® boneill@njaes.rutgers.edu

April is the Month of the Military Child and National Financial Capability Month. Some parents may have questions about children and money, such as, should children be given an allowance or should they have to work for it?



Photo by August de Richelieu from Pexels

Children learn about money from those around them. While they view advertisements which may encourage them to purchase items, parents are generally a child's greatest financial influence. Below are five ideas for PFM's to share with military families:

1. **Be Inclusive**- Help children understand and learn money management skills by including them in appropriate discussions about family money matters, such as the cost of a vacation or new television.
2. **Be a Role Model**- Demonstrate and discuss good money management skills by practicing budgeting, prompt repayment of bills, the wise use of credit, and comparison shopping to make big spending decisions.
3. **Let Children Make Mistakes**- Allow children to learn from their mistakes. This may be buying something that is cheaply made and breaks easily. Remember that experience, both positive and negative, is a great teacher.
4. **Teach Scarcity**- Give children experiences where there is not enough money to buy everything they want. This will teach the concept of scarcity and how to make spending choices and live with the consequences.
5. **Provide an Allowance**- Coach children and provide guidelines to manage an allowance, which should cover their needs (for example, school lunches), plus some money for personal use, savings, and sharing or charitable donations.

For additional information about teaching children about money, visit the Consumer Financial Protection Bureau (CFPB) website Money as You Grow: consumerfinance.gov/consumer-tools/money-as-you-grow/

This material is based upon work supported by the National Institute of Food and Agriculture, U.S. Department of Agriculture, and the Office of Family Readiness Policy, U.S. Department of Defense under Award Number 2019-48770-30366. The links and references provided are for convenience and for informational purposes only; they do not constitute an endorsement or an approval by the Military Families Learning Network or Cooperative Extension of any of the products, services or opinions of the corporations, organizations or individuals.

Welcome

During the Month of the Military Child, we will focus on student aid. The April 6 webinar, [Federal Student Aid](#), will cover the process of completing the FAFSA, student loan forbearance, and public service loan forgiveness. RSVP now to join speakers from US Department of Education's Office of Federal Student Aid, Mr. Isaiah Ellis and Ms. Christine Isett.

For more resources to support military children, we invite you to browse the programming produced by our colleagues, MFLN Family Development: militaryfamilieslearningnetwork.org/category/family-development/

Mark Your Calendar!

CEUs will be offered for
AFCs, CPFCs, CFLEs.

APRIL [Federal Student Aid](#)
6

JUNE [Your Money, Your Clearance](#)
15

Watch recorded webinars and earn CEUs from events presented within the past 3 years.

militaryfamilieslearningnetwork.org/personal-finance/webinars/

[Click here!](#)