

Tips for Raising Financially-Independent Kids

1. When they're little, refrain from buying stuff upon request when you're out and about. Instead tell them to write it down and put it on a Christmas or birthday wish list. **You have to make them want for something.**
2. **Avoid saying, "We can't afford it" and instead say, "We don't need it".** This empowers them to believe that they are in control and not a victim of circumstance.
3. **Give them "mad money" on trips** so that they aren't begging for a souvenir at every stop. When the money's gone, it's gone.
4. **Teach them early to contribute around the house.** Help them find satisfaction in work for work's sake and secondarily for earning money.
5. At about age 5, **begin giving kids an allowance** (preferably attached to chores). This will allow them to see that work yields financial rewards as well as give them an opportunity to manage money and pay for some of their "wants".
6. Have them **tithe** 10% (or give to those more needy than they) and **save** AT LEAST 20% (we do 40%). Consider matching any additional savings above the required amount.
7. **Teach them to be entrepreneurs.** Sell produce from the family garden, run a lemonade stand, make and sell handmade wares at a local craft fair. Help them develop marketable skills.
8. **Incrementally give them more financial responsibilities.** This will set them up to be financially independent by the time they fly the coop.

Age-Appropriate Financial Literacy Skills

Age 13: Open Checking Account, pay for own clothes, birthday presents, outings with friends.

Age 14: Encourage volunteer work outside the home so kids build confidence and get to report to a boss other than mom or dad.

Age 15: Invite son or daughter to make a menu for the week, go grocery shopping and prepare meals. Do this a few times a year.

Age 16: Pay for own gas, basic car maintenance, get a job outside the home.

Age 17: Pay for own cell phone plan. Learn about retirement options and investing. Invest a portion of income.

Age 18: Map out college expenses and craft a workable budget. **MOVE OUT OF THE HOUSE.**