

## Teaching kids about money ain't easy

The 'we cannot afford it' argument impacts my kids in ways other arguments don't. Unfortunately for us, teaching kids about money means telling the truth.

Recently, my parents gave each of my girls (aged 6 and 3) some cash as a late Christmas present and encouraged them to spend it however they wanted. A few days later, the girls decided to go to their favorite toy store and spend it. I agreed. After all, it's a great opportunity for teaching kids about money.

I hoped the trip might be different this time because my husband and I have spent the past two years following Dave Ramsey's [Baby Steps](#) and using [You Need a Budget](#) to revolutionize our money conversations. We've involved our kids in these discussions in age appropriate ways – my six year old will sometimes sit with me while I do our monthly budget. We talk about how money can look like a big number at first but seems to dwindle down as we pay for so many things. We talk about the importance of planning and budgeting for it.

When we got to the toy store, I hung back and let the kids explore. At the front both girls swooned over a display of cast farm and fantasy animals. My younger daughter picked another toy she wanted right away, but my older daughter surveyed it with her "museum hands" firmly behind her back. "I want to see everything before I make a choice," she said.

We wandered back to the dolls, through puzzles and by the small clothing section. My older daughter stopped here and there, checking on prices. Then she started spinning her wheels to figure out what she'd have left to spend depending on the choices she made. She left the toys

behind as she realized the cost was too much.

I've never sat them down and had a formal talk for teaching my kids about money. I grew up privileged enough to be unaware of what things cost – I never had a specific sense of my parents' income. When I wanted a toy or a book, sometimes I got one and sometimes I didn't. As an adult, I have not been very careful with money. I'm not the only one, according to the [Federal Reserve](#) – nine out of ten thirty-somethings carry credit card debt. And then there's our student loans, rent and childcare costs. That big number looks smaller every day.

With my kids I've tried to approach money the same way I approach everything else, by answering questions in a simple, understandable and child-friendly way. When my kids say "I want that," I often say "Not today," or more simply, "I'm sorry, no." When they ask why I answer them "Because it costs \$50, and doesn't do anything," or "Because you have another just like it at home," or "Because we can't afford that today."

The last one stung the first time I said it, but to my surprise it was the most effective answer. The other answers provoked frustration and debate. The *can't afford it argument* causes my daughter to start thinking about how she can afford the item in question. She'll offer to do chores around the house, for example, or suggest calling her grandmother to see if she can help in the yard to earn a little extra.

In the end, my older daughter narrowed her choices down to two: first she had a craft kit for a fairy wand that basically looked like wrapping ribbons around an already constructed toy; and the second was a marble maze. She looked back and forth between the two for a while, then chose the marble maze. "It does more," she said, "and I'll play with it longer, so I'd rather spend my money on this." I was more than a little amazed.

I don't know what the financial world is going to look like by the time my kids are looking for jobs. But what she's learning now means she's going to be able to navigate her own opportunities better than I have mine. So, when my daughter came home from her grandmother's with a fresh \$20 from doing yardwork the other day, and immediately started begging me for another toy store trip, I can admit I wasn't at my best. I ended up snapping at her about how sometimes we need to save our money for the future. "Mom," she said, with an irritated look she also learned from me, "I didn't say I was going to spend ALL of it. I want to spend half and save half. Isn't that what you do?"

On the good days, kiddo. On the good days.

*Submitted by Kristine Croto*