

# How To Teach Your Kids About Money

Age appropriate guidelines for helping your children learn money management skills

## Age 3

- To identify coins by their correct name
- To keep money in a safe place
- How to trade money for something when you go shopping

## Age 4

- To know how many cents each coin is worth
- When we spend money, it is gone!
- We can't buy everything, so we make choices
- Wants vs. needs

## Age 5

- To start managing a small allowance
- To know where money comes from
- Banks and Investment firms help keep money safe until we need it
- Writing a check takes money out of a bank

## Age 6

- To identify bills and coins of larger denomination
- To understand an ATM
- To make simple change
- To divide allowance three ways between spending, saving and sharing

## Age 7

- To read price tags
- To look for things on sale
- To make sure he/she receives correct change for a purchase

## Age 8

- To recognize TV commercials aren't real life
- To save for a short-term goal (no longer than one month)
- To earn extra money by doing odd jobs
- To deposit money in a savings account or Roth IRA

## Age 9

- To make a simple spending plan for the week
- To compare prices when shopping
- To cooperate with family efforts to save on water, gas, electricity, etc

## Age 10

- To read and understand sale ads in the paper
- To use the phone book and call stores for information
- To use the internet to check prices
- To look at value, not just cost of products
- To be aware of how peer pressure affects decisions

## Age 11

- To understand the principle of compound interest
- To understand the time value of money chart
- To understand fixed and flexible expenses
- To shop classified ads for bargains on used items

## Age 12

- To devise and operate on a two-week spending plan
- To understand and use correct terms for banking transactions
- To understand the value of wise investing
- To recognize advertising techniques
- To read fabric-care labels and examine clothing for quality
- Open a Roth IRA

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