

How to Teach Your Kids About Money

Right now you probably have no concept of money or how to use it. You know in your heart you are no money manager. What about your kids. What do you think about them? If you have no idea how to manage money, do you think your kids will know? If your kids are going to grow up being successful in life, they first need to learn how to manage and control money. Or else, they could end up in the poor house, struggling to make ends meet. You don't want that for your kids. Therefore, you owe it to your kids to train them now so they will be prepared for the future.

In order for you to teach your kids about money, you have to explain to them the ways they can go about making money when they get to the age they can start working for it. If you really want your kids to be successful in life, you must inculcate within them the concept of money and the proper way to view it and make it. There are many directions they can go to make money. Some of these directions include:

- **Being an employee:** Your kids can always go out and get a job with a corporation and become an employee. They can slave for the boss; make little money, while their boss collects the bulk of it. Not very promising to say the least.
- **Self-employed:** Your kids can grow up and become self-employed. This means working as a freelancer. You do have more control over your time, how much money you can make, and what clients you want to do work for. You are in total control of your business. You run everything yourself. It's not like you go to work and the work is there for you. You have to go out and get the work constantly.
- **Business owner:** You may think this is the same as being self-employed but it isn't. Being self-employed you do not own a business per say, you are the business. But with being a business owner, you start the business, and let others run it for you. You start the business, put a system in place, and let the business run itself. This is how you get rich. With this type of business, you are always making money.
- **Investor:** Here is where people make money by placing their money in different types of investment opportunities. An investor will evaluate stocks, bonds, mutual funds, and real estate, to determine the best avenue for his money to grow continually. The money works for him. It grows continually.

The ways described above are good ways to make money in the future. But how can you train your children about money and how to respect it? One good way is to teach your child the value of money. Do this by teaching them about:

- **ATM Use:** The worst thing you can do is to let your child see you take money out of an ATM. The child will think those machines are used for the purpose of giving out money, and they will eventually abuse the machine, if you don't teach them the proper use of one when they are young.

- **Mall shopping:** Whatever you do, don't take your kids shopping with you when you go to the mall, and let them buy what they want. They will watch you grab what you want and think they can do the same thing. This is giving your kids false signals. Not only will it cause the parent trouble (the parent will overspend), it will create a lack of respect for the value of money in the child. If you must take your child to the mall, make it perfectly clear that you are only going to the mall to buy something of necessity and not to indulge themselves.
- **Gifts:** Many parents feel guilty if they don't buy their children gifts constantly. You don't have to give your child gifts all the time. Your children will eventually expect it from you and won't respect money. Plus you are spoiling them. And when they get older, they may end up going into debt quickly and may face bankruptcy before they reach 30. Just buy gifts at certain times of the year, like birthdays, holidays, or special events. If there is something that they absolutely need, make them work for it so they will see that one has to put forth an effort to get the gift.
- **Credit:** This is one area that parents fail to teach children. Parents just take out their credit cards when they want to buy something. You must educate your children about credit cards including why they are used and what happens when they use them.

Teaching your children about money is not hard if you know how to do it. It just takes planning, timing, and patience. Train your children early in life and they will grow up respecting money and use it wisely.