



# Family Money Talks

5 Project-based Learning  
Activities to Teach Kids  
About Money



## Continue the Momentum with These Activities

Don't you wish you had learned more about money when you were a kid? I do! I'm sure most of us have experienced at least one costly, stressful money mistake in our lifetimes. Although many of us had to learn our money lessons at the school of hard knocks, we can make our children's lives easier.

In today's age, our children have even more temptations than we did. From birth, they are inundated with messages from advertisers to "buy, buy, buy!" A typical kid is exposed to more than one million advertisements by the time they reach age 21. To counteract the conditioning to spend and give children good money management knowledge, teaching kids and teens personal finance lessons becomes essential.

Bottom line: Financial habits are formed early. We should begin teaching kids lessons about personal finances when they're young. If they are already older now, that's OK. It is critical that they receive professional-level training prior to moving out on their own. By giving them practical lessons in formats to which they can easily relate, you'll establish an educational foundation that supports continued financial education training as they mature.

This guidebook will help your children develop essential money management skills and help mold positive financial habits.

# Activities



# Utility Bill Challenge

This activity will help your children develop essential financial skills sets, including: financial goal-setting, understanding living costs, and financial responsibility.



## Step 1

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Review household utility bills with your child.



## Step 2

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Set a savings goal.



## Step 3

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Create a visual.



## Step 4

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Develop a clear plan.



## Step 5

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Work toward the goal & monitor progress.



## Step 6

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Celebrate and reflect.





## Step 1

### *Review household utility bills with your child.*

Review usage-based utility bills. Electric, gas, and water bills make good choices for this activity. Discuss what the bill covers and its impact on your overall budget. For example, if you're talking about the electric bill, point out all the items that use electricity and how that contributes to the household expenses.

## Step 2

### *Set a savings goal.*

Choose one of your utility expenses that you want to reduce. Look at the amount you spent on this bill last year during the same time, and write down a realistic goal to reduce this expense. Be sure to list the exact amount and time frame to reach your savings goal. Lastly, decide on a reward you can enjoy together if you successfully reduce the bill by your goal amount.





### Step 3

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#### *Create a visual.*

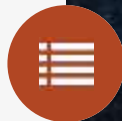
Cash stored in clear containers makes a great learning tool and visual reminder of your goal. Label the jars 'goal' and 'success.' Put the cash equivalent of the amount you want to save in the 'goal' jar. As you make progress towards your goal, move the money from the 'goal' jar to your 'success' jar.

### Step 4

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#### *Develop a clear plan.*

Create a detailed plan on how family members can contribute to reaching your savings goal. For instance, if your plan is to reduce the electric bill, make a list of actions you can take – anything from changing light bulbs to turning off electronics would fit into this scenario.





## Step 5

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### *Work toward the goal & monitor progress.*

Together with your child, review the bill each month and discuss your progress. Adjust your plan if necessary to stay on course toward your original goal.

## Step 6

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### *Celebrate and reflect.*

When you reach your target goal, have a discussion about the lessons everyone learned by doing the activity. Then celebrate together and enjoy some fun with the family!





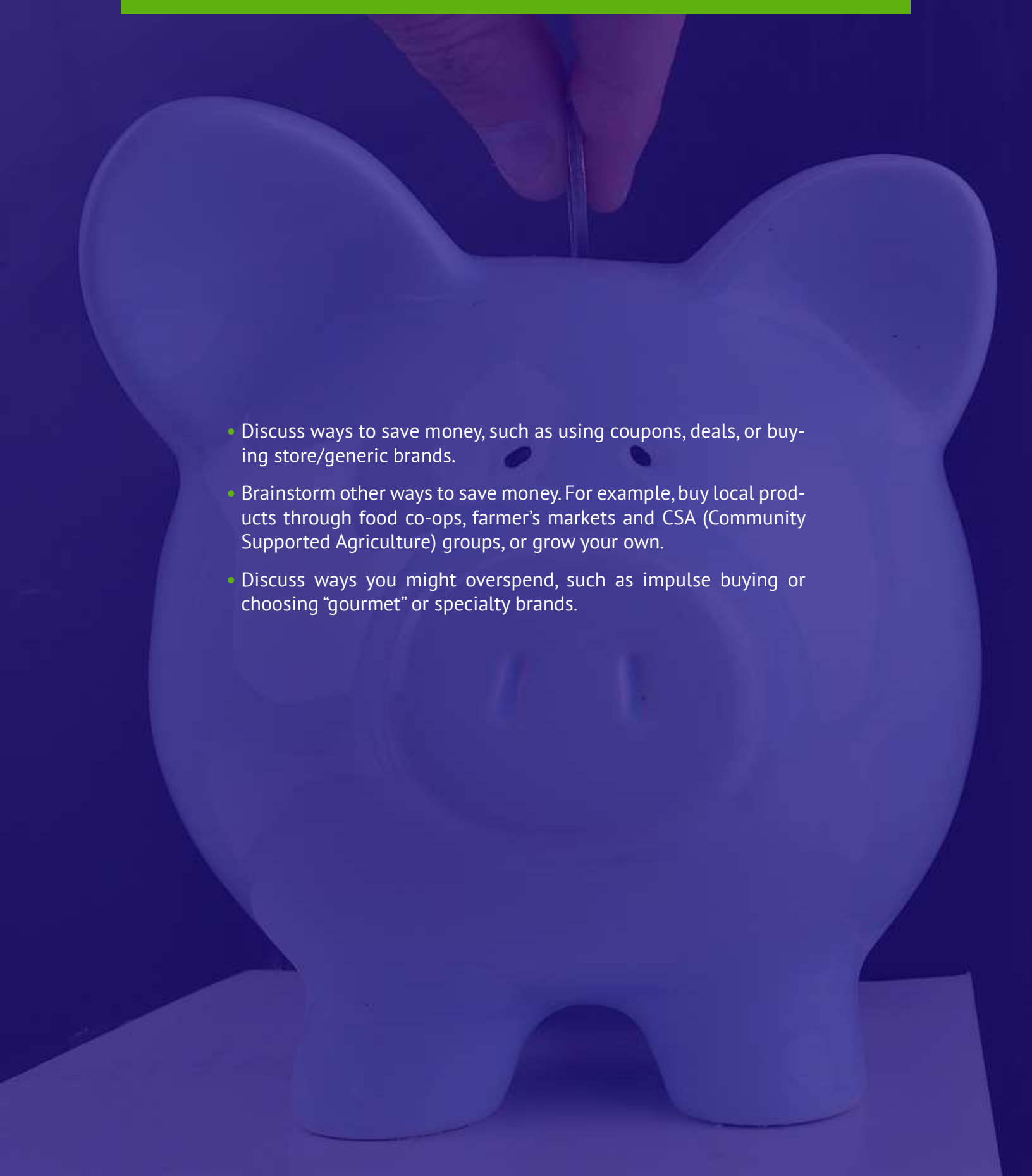
# Trips to The Supermarket

Your regular trip to the supermarket offers an excellent opportunity to open a conversation with kids about money, show them how overspending can occur, and turn them into bargain shoppers. This activity helps kids learn key money management skills, including budgeting, living within one's means, prioritizing spending, and price comparison shopping.

- Create a list of needed items as a family. Or have the list primarily written, but leave some space available for children to add items to the list. For young children, leave off something important, like “milk,” and give the child hints as to what is needed on the list (leading them to “milk”).
- Before going to the supermarket, use advertisements to project how much your family will need to spend in order to get each item on the list.





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- A close-up photograph of a hand inserting a coin into the top of a piggy bank. The piggy bank is a light-colored, stylized pig shape. The background is a solid, muted blue color. The lighting is soft, highlighting the texture of the piggy bank and the hand.
- Discuss ways to save money, such as using coupons, deals, or buying store/generic brands.
  - Brainstorm other ways to save money. For example, buy local products through food co-ops, farmer’s markets and CSA (Community Supported Agriculture) groups, or grow your own.
  - Discuss ways you might overspend, such as impulse buying or choosing “gourmet” or specialty brands.



- After the shopping trip, review the receipt. Did your family come in under budget, at budget, or over budget? Why?
- Each child could be responsible for researching one particular item on the grocery list. They can make a quality analysis, and compare sales ads if available. If they track prices, they can become great bargain hunters.
- Kids can go find the item in the store and do a price comparison.



## Evaluate Commercials

Children are being trained to be consumers. By the time they turn 21, they will have been exposed to over 1 million advertisements – many of which are highly-sophisticated ads that encourage them to make purchases based on wants rather than needs.

Today, \$12 billion per year is spent on advertisements that directly target children who will view over a million ads by the time they are 18. The majority of that \$12 billion is spent trying to convince them to buy things. How many commercials have you seen that teach kids to develop good savings habits?

According to studies cited by the American Psychological Association, after just one exposure to a commercial, children can recall the ad's content and express a desire for the product. This problem is especially marked among children ages 8 and younger, who lack the cognitive ability to recognize advertising's persuasive intent and are unable to discriminate between commercial and non-commercial content.

To combat this problem, parents need to proactively address advertising. This is an activity you should do on a regular basis so children can logically evaluate both ads and their own spending habits.

As a family, watch some of the commercials that come on TV. Discuss the products that are being sold and the methods advertisers use to sell the products.



***Here are some tips:***

- What is the ad trying to get you to do? Buy something, visit a website, or take other action?
- Does the commercial try to make you feel bad about yourself, and then offer the product as a way to fix it? Does it promise to make your life better? Does it try to convince you that you will have more friends if you buy this product?
- What are the commercials that make you want or desire the product being advertised? What was appealing to you in the ad?
- How might you talk yourself out of something if a desire is triggered by an advertisement?

# Meeting Financial Professionals

There are many ways for community members to support youth in building personal financial knowledge and promoting a healthy economy. Also, families have many opportunities to become engaged in their communities. The following ideas represent an array of options that will allow for you and your family to build confidence in financial literacy.

## ***Family Financial Planning Meeting***

Before your next meeting with any financial professional (banker, advisor, accountant, etc.), ask to have your child present for the meeting. An in-person meeting makes the biggest impact on children of all ages, but the meeting can be done on the phone as well.

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Prior to the meeting, talk with your child about who the professional person is, the role they play, and how they are working toward helping you meet your financial goals.

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Next, brainstorm questions that your child may have and prepare one question for them to ask the financial professional.

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Right before the meeting, discuss with your child the proper etiquette for the meeting and teach them how to act in business situations.

After the event, spend some quality time with your child over a favorite snack discussing what took place in the meeting.



# Needs and Wants Scavenger Hunt

An important early money lesson for kids to learn is how to discriminate between “needs” and “wants.” Needs are those things everyone must have for survival, such as food, water, clothing, and housing. Wants are the items we don’t really need, but would like to have – like toys, cable service, and X-Boxes.

This activity is designed to help children start identifying needs versus wants, and how to make spending decisions accordingly. The activity teaches the value of delayed gratification, and how to plan and wait for times when you have saved enough to make a “want-based” purchase.

Choose a room in the house for a Needs and Wants Scavenger Hunt. Each family member makes a list of ten things in the room that represent either a need or a want. For young children, picture drawings might be more appropriate, or you can work in teams.

Ask each family member to take a turn finding an object in the room and explain whether it is a “need” or a “want,” and why. Each participant has a turn to pick an item for discussion.

The group now shares their lists with each other, one at a time for quick identification and discussions around the room.

Family could make a quick list of not-yet-met “wants” or “needs” to be posted and used as a reminder to recognize waiting and planning skills. The family also can practice this knowledge for better decision-making during emotional money times, such as when spontaneous desires arise.

This list might even include items that could be recognized as investments, such as a trade skill class or a bicycle to be used for transportation to work. When these opportunities are noticed, discuss them as a family.



The activities in this guidebook are meant to help families take advantage of regular actions that occur during day-to-day life, and turn them into teachable moments for opening conversations with kids about personal finances. These activities are just a few ideas to get families started toward building children's financial literacy skill sets. If you have other ideas or ways to improve on the activities shared here, please feel free to add your personal touch.

