


PARENT GUIDE FOR FINANCIAL EDUCATION


ELEMENTARY AGE

Teaching kids about financial literacy early in their lives is key to helping them develop lifelong, healthy money habits. Giving them the tools to understand money matters can help them achieve their future goals and avoid costly mistakes!

Here are a few tips that you can use to help teach elementary age children important financial concepts.




Set an Example: One of the best ways to teach kids about money is to model good financial habits yourself. Involve them in the process as well, such as grocery shopping, paying bills or going to your credit union or bank. Talk with them about what you are doing.




Another way is to let a child use real money to make purchases, and demonstrate that money can only be spent once. Giving them a set amount to shop with, can help them understand that they will need to focus on choosing something they really want, and that if they change their minds and want something else, they will have to pay out more.

Let your day-to-day activities be a teachable moment!




Payment Methods: The great thing about payment methods is that you can often find a concept that is age appropriate.

For younger children, work with them on identifying different coins and bills along with their value, just because a penny is bigger than a dime, doesn't mean it's worth more!



Older children can start to learn about credit cards, debit cards, checks, electronic payments, prepaid cards and gift cards. Talk about what each payment type does and its advantages and disadvantages. See the back of this sheet for examples.



Budgeting: Talk with your children about "wants" vs. "needs" along with how you cannot spend more than you have. You have to spend money wisely by saving for things that you want that you maybe cannot afford right now.

Window shopping is a great way to discuss facts relating to not being able to afford everything that is wanted, but that another individual possibly can.

Be sure to check out our bingo game for more ideas on how to teach children about financial topics. You are an important part of helping build your child's financial future!



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PAYMENT METHODS



Cash - Bills and coins created by the government.

Advantages: easy to use; widely accepted; you can only spend what you have.

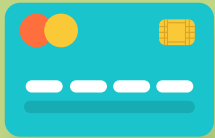
Disadvantages: cannot be replaced if stolen or lost; spending is harder to track.



Checks - Written order to a credit union or bank to pay money from an account to business or person.

Advantages: easy to track spending; safer than sending cash.

Disadvantages: take time to write them; money isn't always taken out of account right away; not accepted everywhere.



Credit Card - Allows the card holder to buy goods and services by borrowing the money for the purchases.

Advantages: items can be purchased without having the money to pay for them; handy for emergencies; convenient.

Disadvantages: may have yearly fee; interest is charged on unpaid balances; can lead to financial difficulties if misused.



Debit Card - Provides electronic access to a personal checking account. Can be used to complete transactions much like a check.

Advantages: quick and easy to use; funds are immediately deducted from account; there is not future bill or interest charged; if lost, it can be reported and replaced.

Disadvantage: can be harder to track.



Electronic Payments - Payments made using an app that allows the user to automatically pay from an account or charge a credit card without using a card.

Advantages: doesn't require cash, checks or cards.

Disadvantages: can be harder to track; not accepted everywhere.



Gift Card - A card for a specific monetary value and used like cash to purchase goods and services.

Advantages: easy to use; can only spend what you have.

Disadvantages: if lost or stolen, often cannot be replaced; store specific cards can only be used in one place; can include a fee.



Prepaid Card - A card that allows you to spend only the amount you have pre-deposited into that account.

Advantages: easy to use; only can spend what you have; can be used to pay bills online; can be canceled if lost or stolen.

Disadvantages: can include extra bank fees and charges; not accepted everywhere.

Information from JA Elementary Compare Payment Methods