


PARENT GUIDE FOR FINANCIAL EDUCATION

MIDDLE SCHOOL

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 middle school 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. Have them help you create a grocery list and shop with you at the grocery store. Let them help you pay bills and talk about them.




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




Payment Methods: Talk about various payment methods with your middle schooler and what each payment does. You can also talk over the various advantages and disadvantages of each type. Discuss how to write a check, how you pay your bills online or how auto payments work. See the back of this handout for more information on payment types.



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.



You can also talk with them about compound interest. There are many great tools and videos online that demonstrate how compound interest works. You can work with them on seeing how compound interest can help you grow your money in a savings account or how it can cost you more in the case of borrowing money on a credit card or with a loan.



Allowance: Link their allowance to chores, teach that money is earned through work. You could also say it is a “commission,” or money they earn based on how many chores they do and how well they do them. Instill the lesson that you have to earn money, it isn’t owed to you. Talk with them about how they plan to save, donate or spend their money they have earned. The more you can do with them now, the more seeds you are planting for future success!

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!



BE A **CREDIT UNION SAVER** &
YOUR SAVINGS WILL **NEVER GO EXTINCT™**

PAYMENT METHODS



Cash - Bills and coins created by the government.

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

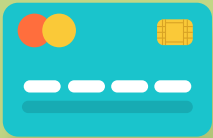
Disadvantages: cannot be replaced if stolen or lost; spending is harder to track.



Checks - Written order to a credit union or bank to pay money from an account to business or person. Teach them how to write a check.

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. Talk about how compound interest works.

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. Talk about how you use an ATM to get money out of your account.

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. Talk about how the money either comes from your account or you pay the bill if using a credit 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.