

# Having FUN with Finances

An interactive FUNancial guide for kids!



Brought to you by Cambridge Credit Counseling

Dear Parents/Guardians,

All children become interested in money and the idea of what it does at different times during their development. If your child has displayed this interest, it may be time to start introducing them to the different aspects of personal finance.

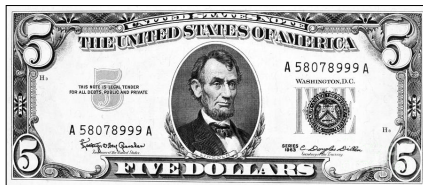
This FUNancial Education Guide is intended to assist parents and guardians with the introduction to a variety of financial topics, such as, earning money, saving vs. spending, budgeting, and even buying on credit.

At the back of this guide, you will find a collection of lessons to help you better educate your child on the topic of money and finances. After each section, there is a suggested activity you can do with your child to better illustrate the meaning of each concept. After you review these topics with your child, have fun together completing the provided worksheets.

***Cambridge Credit Counseling Corp.***

# Fill the Piggy Bank!

Circle or color in the coins and bills to fill the jar with the correct amount!



Put **\$7.77**  
into the bank!



# Find the Words

Q	E	B	X	D	Q	A	D	D	H	Q	V	X	Q	Y
X	D	Z	R	B	B	I	O	O	U	Z	T	A	N	Y
N	I	C	K	E	L	L	E	A	C	T	D	N	W	E
P	O	H	S	J	L	Z	R	I	Q	X	E	B	M	N
N	R	T	S	A	F	T	S	T	L	P	W	K	V	O
C	M	A	R	X	E	M	A	Q	P	C	G	B	E	M
Y	M	K	H	R	K	V	K	M	N	N	J	P	J	Q
H	M	W	U	C	F	O	P	I	E	V	A	S	A	Z
T	T	F	B	V	U	P	U	E	M	D	S	F	Y	H
Z	P	R	W	G	S	X	R	E	O	N	N	K	F	R
G	F	I	C	A	T	F	N	B	Q	W	N	E	F	J
E	R	D	S	J	N	R	I	S	B	A	C	T	P	W
M	S	F	R	N	E	M	W	V	B	T	Z	Z	X	S
I	M	J	P	C	C	D	X	J	R	A	V	I	X	H
D	F	T	F	W	H	L	N	Z	A	E	X	M	U	H

Dollar  
Quarter  
Dime

Nickel  
Money  
Shop

Save  
Spend  
Bank



# Match the Items

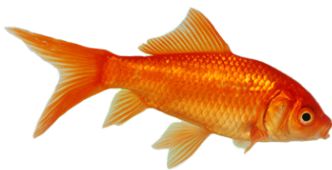
Draw a line between the items and the correct set of coins.



\$0.45



\$0.15



\$0.85



\$1.35



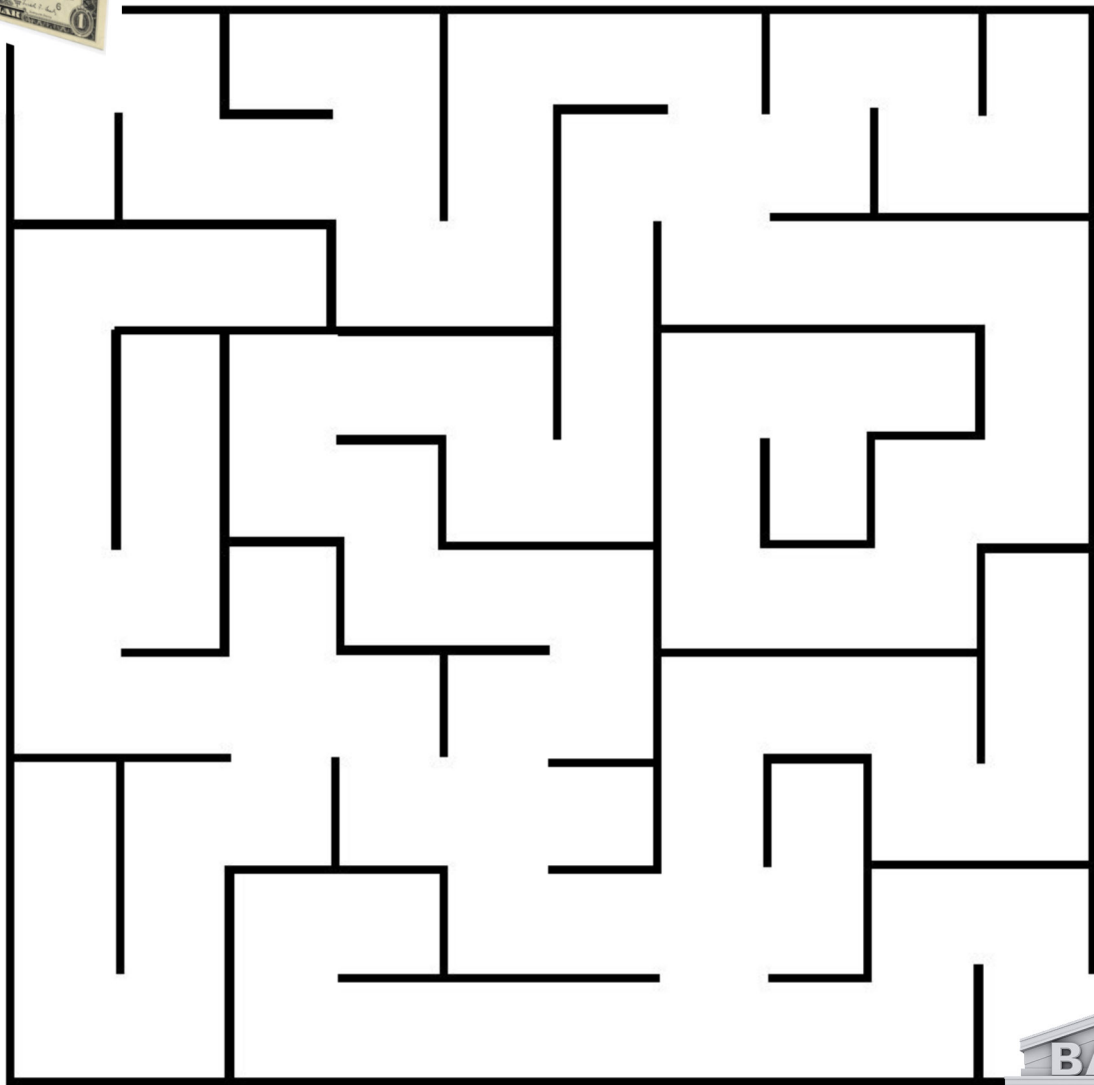


# Needs vs. Wants

Circle the items that we NEED. Put an "X" through the items that we WANT.



# Help the Dollar Find the Bank!



# Unscramble the Words

ASEV

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OLARDL

---

ICNELK

---

NEYNP

---

PEDSN

---

EIDM

---

AQTREUR

---

PHSO

---

BKAN

---

NOEMY

---

Cross off the words as you unscramble them.

Spend

Penny

Dime

Dollar

Money

Bank

Quarter

Nickel

Save

Shop



# How Can YOU Save Money?



Don't leave any doors or windows open too long. The nice warm heat or cool air could sneak out!



Turn off the water faucets while brushing your teeth.



Turn off the lights when you leave the room.



Turn off the TV if no one is watching it. If you are watching TV, think of something else you could do instead.

# Teaching About Money

## Working for Your Money

### Where does money come from?

A child's first understanding of money isn't typically aligned with the concept of work. In order to introduce the topic of earning money, we suggest that you open up a conversation with your child and ask them what they think you do while at work. If they are unsure, explain to them that you have a specific job you do every day, and if you do a good job, you receive money in return. Allow them to ask questions about your job and, in turn, ask them what types of things they could do around the house to earn money.

When your child offers ideas as to how they can earn money, make sure they are not choosing things they would be doing regularly, such as, making their bed or doing their homework. If your child lacks a need for money, they may become resistant to completing their daily chores. You should maintain that daily chores are a responsibility for each member of the family.

### What do you use money for?

Once your child understands how you earn money, it's time for them to learn what money is used for. It's easy for them to just assume that money is what pays for their toys and snacks, and while that is true, it doesn't help their understanding of money management. Share with them things that you pay for on a daily or monthly basis:

- Bills (lights, heat, water)
- House payments/Rent
- Medicine/Food/Groceries
- Furniture/Clothing/Toys

**Suggested Activity:** Choose a specific chore that is above and beyond your child's typical daily chores (ex: Mopping/vacuuming, helping with yard work, dusting, etc.) and pay them a certain amount each time they complete this task. It's important that the chore you choose is something that does not need to be done frequently to avoid associating their daily chores with pay. When utilized correctly, this method of teaching gives children an idea of what "working for your money" feels like.

## Saving vs. Spending

### Wants vs. Needs

We have to admit, even as adults, it can be hard to separate wants from needs when it comes to our spending. It's important, however, that our children are given the skills to identify the differences between what they WANT and what they NEED. Explain to your child that Needs are those things we can't live without (Home, Food, Clothing, etc.), and Wants are things that we can buy but only if we have money left over after we pay for our Needs (Toys, Candy, Vacations, etc.)

### Setting Goals

Once your child has begun to learn the basic differences between Wants and Needs, it will be easier for them to grasp what setting a goal is. For example, now that they know that new toys are a Want, you can explain to them that they can set a goal to save money now in order to purchase a toy they want in the future. The money your child earns by doing their jobs around the house (or simply if you give them a weekly allowance) can be used as the teaching tool to illustrate the concept of saving money to reach a goal.

Count their money with them each time they receive a new “payment” from you, and your child can watch their money grow closer to their goal.

**Suggested Activity:** *Provide your child with two jars labeled “Save” and “Spend.” After giving them their allowance, discuss with your child how much to put into their “Savings” and how much to use as spending money.*

## **Budgeting**

### **What is a budget?**

Being new to the idea of money, your child should also be introduced to the idea that we need to be careful how we spend our money. The old saying “Don’t spend all of your money in one place” might actually come in handy when teaching your children how to budget!

Now, of course, children don’t have utility bills to pay or a mortgage payment due. They can, however, grasp similar concepts that they can relate to. If your child has 10 dollars to spend, and they wish to spend it on a new toy, inform them that, if they spend SOME of the money on a different item, they’ll be able to put some money into savings.

### **How to prioritize**

It’s clear to parents that food, mortgage payments, and insurance are top priorities when it comes to spending our money. Children, on the other hand, don’t know which things they SHOULD spend money on before they buy things they WANT.. The best way to show them that there is a limit to money, and that we must plan carefully how we’re going to spend it, is to allow them to practice shopping for essentials with you. With money in hand, a child is going to be able to grasp the concept of not having enough money much easier.

**Suggested Activity:** *Bring your child to the grocery store for a mock budgeting trip. With a list of items, have your child figure out which of the items on the list they can afford and which they will have to go without in order to stay within budget. Example: Give them a budget of \$10 and intentionally give them a list of items that totals more than \$10. This will also teach them about priorities when they have to choose which items are more important than others.*

## **Buying on Credit**

### **Borrowing money**

Naturally, there will come a time when your child wants something they can’t afford. Moving on into adulthood, there will most definitely be times where they want, or even need, something they aren’t able to purchase with cash or debit. This is where the knowledge of credit comes into play.

### **Owing money and paying debts**

It’s best to translate life lessons into simple examples your child can understand. If they want to buy something but don’t have enough money, offer to lend them the difference with the promise that they’ll pay you back once they DO have enough money.

**Suggested Activity:** *Make sure you’re aware of how much allowance your child has at home, and while out at the store, offer to purchase an item they want with the promise that they will pay you back. Make sure to follow through and have them pay you back when you get home. If they do not have the money, remember to deduct it from their next allowance with the reminder of why you’re taking money.*

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