

Lesson 9

Study Questions and Action Steps

In this lesson, you've learned that two of the most valuable gifts you can give your children are:

- **Wealth** in the form of a generous inheritance
- **Knowledge** that will allow them to build their own wealth

Study Questions

Question 9.1

Lesson 9 showed how someone could pay for their children's university education and also leave them a generous inheritance. Explain in your own words how this could be done.

Question 9.2

Why is it important to teach children about managing, saving, and investing money when they are young?

Question 9.3

The title of this lesson is "*Start a Sensible Family Tradition.*" What is the family tradition this lesson encourages you to start?

Your Next Steps

Your action steps for this lesson require you to begin teaching your children about saving and investing. There are three suggested activities here and we encourage you to do some research to find more ideas.

If you don't have children of your own, consider carrying out these activities with your nieces and nephews, your grandchildren, or with your friends and *their* children.

Action Step 9.1

Help Your Children Learn to Manage, Save, and Invest Money

- 1. Hold Family Meetings.** Begin holding monthly family meetings to set the budget for the coming month. Discuss how much income the family has and where it comes from. Review family financial goals and decide how much money will be set aside for saving and investing and how much will be spent on items the family needs. Encourage children to take an age-appropriate role. Ask for their suggestions in preparing the budget. Show them how to review bank statements and household bills. Let them do the math or the record keeping.
- 2. Give Children Money of their Own to Manage.** Give each child an allowance paid regularly each week or each month. The amount of the allowance should be based on what the child is required to purchase with their allowance money. Require each child to save a portion of what you give them. Refrain from buying children things they see on television or things they want when you are out with them. Instead, require them to set goals and to save for the things that they want.
- 3. Open a Savings or Investment Account for Each Child.** Give each of your children a bank account or investment account of their own. Teach children to make regular deposits into their account so they get in the habit of saving on a regular basis. Show them how to read and review their statements and help them see how their money is growing.

Action Step 9.2

Get More Ideas for Teaching Children Money Management

Here are two websites that offer information about how to teach children to save and invest. Visit these sites and look for others with similar information.

Australian Securities and Investments Commission. MoneySmart Website. *“Teaching Kids About Money.”*
<https://www.moneysmart.gov.au/life-events-and-you/families/teaching-kids-about-money>.

Utah State University Extension Service. *“Teaching Children Money Management.”* Booklet by Melanie Jewkes.
http://extension.usu.edu/files/publications/publication/FL_Finance&Economics_2009-03pr.pdf.