

## Introduction

Kids keep us pretty busy and, as parents, we really wouldn't have it any other way. Remember watching them take their first step, and then what seemed like only days later, whisking away on their bike? Now it's birthday parties and summer camps. And, of course, the school projects, music recitals, and back-to-school nights. Pretty soon, without warning, our "kids" will get their driver's licenses, have their first dates, and begin packing for college. There's a whirlwind of activity happening as we raise our children who seem to grow up faster by the day. And somewhere in that crazy whirlwind, we manage to squeeze in lessons on please and thank you, sharing, and financial literacy.

*Uh, wait a minute. Did you say 'financial literacy'? Isn't that stuff about money...like budgets and investments? Aren't our kids a little young to be learning things like that? And, anyway, isn't that taught in schools?*

It's true, financial literacy is not something we typically think of when we go down our list of things to teach our young kids. For a lot of parents, it's because they're not sure what happens after the piggy bank. For others, it's not feeling comfortable or qualified to teach their kids about money. And some parents are waiting for their kids to enter high school and get their first job before diving into budgets. But reaching kids when they are young and when their habits are forming is the best time to teach them financial literacy.

So what is financial literacy, anyway? At its simplest, financial literacy is the ability to effectively and comfortably deal with issues relating to money. And issues relating to money come up a lot. Even with kids. Um...especially with kids. Think about the latest fad at school that your child simply had to be a part of. Or the arcade games at the pizza parlor calling to your child to drop in quarter after quarter. Those are the perfect opportunities to teach your kids lessons about money. They'll learn about making good spending choices, living within their means, and they can even begin setting personal financial goals. You'd be setting the stage for the financial challenges and opportunities that await them in adulthood.

And that's very cool because, it turns out, you are your child's biggest influence when it comes to what they know about handling money. Yup, you. And the work you do with them now is very important. Consider this: in a Charles Schwab 2009 *Young Adults and Money* survey, the young adults surveyed indicated that they did not feel adequately prepared to deal with issues relating to using

debt wisely, saving for the future, or investing. Their number one and number two requests when it came to learning more about money: knowing how to live within a budget and the importance of saving.

Uh oh. A lot of bad things can happen to kids when they get out there in the world and don't know how to manage money. And if you think about it, money affects just about every part of our lives from the things we can do and have to our sense of security and even our relationships. So teaching them the skills they will need to make good financial decisions is pretty important.

But how do we teach our kids those skills? How do we move beyond the piggy bank to budgeting, saving, earning, spending wisely, investing, and all the other things they need to learn about money? It starts by putting money into their hands on a regular basis. If the goal is to teach kids how to effectively manage money, then it makes sense that they have money to manage. We don't hand our teenagers the keys to the family car once they turn sixteen unless they've had practice behind the wheel first. Lots and lots of practice. It's no different with money.

I've been teaching and designing curriculum for elementary and middle school kids for over 22 years. In those years, I've learned that the best lessons are done in the context of things that are interesting, meaningful, and relevant to their lives. Kids like it when it's all about them! And the good news is, they learn better that way. So I wrote this book with that in mind. Tying the lessons and activities into their interests, this book will serve as your guide as you set up a money management system tailored to your family's individual needs. You'll learn how to teach your kids things like budgeting and setting financial goals. And because you (and your kids!) are busy people, I also designed the lessons and activities to be quick and easy to use.

Although written as a book about teaching kids money, a very special thing will happen as you work your way along the road to riches. You'll discover that talking with your kids about money often leads to discussions about what your kids want to be when they grow up...and the positive power that sharing can have...and what their favorite thing to do is (hey, that can lead to a great, happy career). Your kids will begin to reflect on their interests and desires, and they'll begin setting personal goals. They'll start to pay attention to things that motivate them and hone in on who they are as individuals. They'll discover that money is simply a tool to help them do and have the things they want; it's not an end in itself. And they'll come to understand that the really important things in life aren't things at all.

So as you begin to teach your children the ins and outs of financial literacy, know that you are equipping them with the knowledge and understanding not only about money, but about themselves as well, in order to live fulfilled, happy, and financially secure lives.

Wishing you success as you raise your children to become rich...in friends, compassion, knowledge, happiness, and, yes, money.

~ Karyn