MONEY MESSAGES FOR AGES 3 TO 25

LNWM NextGen Money Group

We don't know if our kids will grow up to be ballerinas or bankers, stay-at-home moms or globetrotters. But we can influence – through actions and words – how they think about money and possessions. Regardless of what they end up doing, they'll then have the foundation for a productive and financially fit life.

"THE AGE OF REASON" (3 to 5 years old): It's Not Too Early

Pre-schoolers learn by doing, watching, exploring. You can help them by: setting up situations for them to make choices; establishing rules and boundaries; and explaining how the world works. This lays the foundation for saving, sharing and spending later on.

Say and Do:

- **Create "No" Moments** — When shopping for toys, souvenirs or presents, ask the kids to choose just 1. Don't rush. Let the kids think and talk about which toy is best.
- **"What is that person doing?"** Talk about the jobs you see people doing around you. Explain that jobs are both to earn money and to help other people and society.
- **"How much is this?"** — Identify the different coins and start to attach value to them.

HANDS-ON HELPERS (5 to 8 years old): Keep It Real

School kids are full of energy and love doing things with parents, so this is a great age to lay the groundwork for lifelong habits. It's very important that you "keep it real" and hands-on.

Say and Do:

- Help the kids set up a "Share, Save, Spend" piggy bank system.
- Volunteer at a local non-profit and take them with you.
- Help them start a scrapbook or list of things they are passionate about.
- Chose an item you buy often for them and have them keep track how much it costs.
- Play board games that have major money messages (Monopoly Junior, Big Pay Day, etc.)

THE INDUSTRIAL AGES (9 to 12 years old): Teach through Example

Kids in third to sixth grade love to contribute and get involved. This is the age when their "money personalities" becomes more apparent. Yet they're looking mainly to you the parent for guidance.

Say and Do:

- Open savings accounts for your children and encourage them deposit part of their cash gifts and allowance. Consider matching contributions.
- Be sure to discuss Needs vs. Wants vs. Goals when shopping.
- Volunteer with your child at a local food bank or other non-profit.

Make Work More Real:

- Assign regular chores to your children. Don't let them skip them.
- Help your child work on any money-making ideas he/she has.
- Talk about jobs, work, finances in front of your child – stay positive.

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WEALTH MANAGEMENT

TEEN SPIRIT (13 to 15 years old): Focus on Actions, Not Words

Teenagers begin to define themselves independently from parents. Scary, yes. But a strong base of positive financial experiences, taking into account their money personality, will prepare them to make smart decisions later on. So don't be afraid to ask your young teens to do these things.

Say and Do:

- Save for a goal – Encourage your teens to put away at least 10% of gifts, etc. to buy something major.
- Start to earn money – Encourage teens to babysit, rake, deliver papers.
- Ask them to track how much they save/share/spend, using Excel, Mint.com or other apps.
- See that they sign up to do volunteer work in areas that interest them, not necessarily you.
- Review with them their bank and debit card statements.
- Try buying a little stock in a well-known company they like and discuss the results.

INDEPENDENCE DAYS (16 to 18 years old): Test their Financial Fitness

The end of high school is a thrilling time. Teens this age want and can handle a growing amount of responsibility and independence. So it's important to stop doing things for them and instead act more as their financial advisor.

Say and Do:

- Encourage working at least a little, especially when not in school – celebrate their 1st paycheck.
- Encourage them to save so they can cost-share – for things like car expenses, trips and laptops.
- Help them compare college costs and funding options.
- Set up a trial period for the use of a credit card. Review the statements together.

COLLEGE & BEYOND (19 to 25 years old): Paying Their Own Way

This is when the values, habits and instincts you've worked to develop in your kids get implemented in the real world. This is also a major transition period, so they might be looking to you for guidance.

Say and Do:

- Talk to them about how they're spending/saving/investing.
- Remind them of the 50/20/30 Rule:
  - → up to **50%** of income for "needs" – food, rent, transport, phone, etc.
  - → at least **20%** for saving for major goals
  - → **30%** or less for "wants" – clothes, movies, dinner out.
- Encourage them to attend meetings with your financial advisor.
- First Job? Emphasize 401(k) contributions, employer matches and Roth IRAs.
- Graduate school? Let them know whether, and how much, you'll contribute. Help them research work or loan options if you expect them to foot part of the bill.