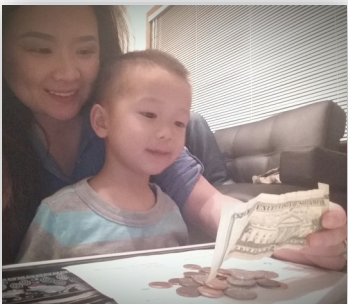


# Allowances

[fyi.uwex.edu/parentingthepreschooler/](http://fyi.uwex.edu/parentingthepreschooler/)

## To Give or Not to Give

- ◆ The earliest an allowance should start is age five; before age five, there is little learning value.
- ◆ Consistently give an allowance on the same day each week or month.
- ◆ Give an allowance for learning how to handle money to spend, save, and share.
- ◆ Take preschoolers to the bank to help them feel comfortable there.
- ◆ Link an allowance to new financial responsibilities, such as purchasing something your child wants, rather than paying them to do chores.
- ◆ Use clear jars for spending, saving, and sharing so children can watch money grow and shrink as purchases are made.
- ◆ An allowance can promote a sense of responsibility so children will learn from their successes and experiences that were not successful.
- ◆ To determine the allowance amount, consider the child's level of maturity, what the allowance will cover, and what is affordable.
- ◆ Open a savings account when child is in kindergarten or 1st grade.



Photograph by Christa Thao

**Children learn by** watching what adults do with money. They also learn how adults feel about money by the expressions on their faces, by listening to the words used, and how adults' voices sound when talking about money.

It is important for children to decide how to spend some of their money. They need to practice making their own decisions. Do not come to the rescue every time a child runs out of money. Instead, let them experience the consequences of their own money mistakes.



Photograph by Carmen Saucedo

## Are both children and adults ready for an allowance?

### Does the child have these skills?

- Able to tell the difference between coins.
- Counts accurately.
- Knows where to spend money.
- Willing to share money.
- Understands how to save money.



### Is the adult able to do the following?

- Set age specific guidelines/rules for money use.
- Teach important basic money skills.
- Slowly shift some money responsibility to the child.
- Recognize that children are unique in their ability to handle money.
- Be patient. It takes children time to learn to manage money.
- Always give allowance on the same day.

## UW-Extension Family Living Programs

"Raising Kids, Eating Right, Spending Smart, Living Well"



For more information, please contact your county UW-Extension office:

<http://counties.uwex.edu/>

[Link To References](#)

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