

# Money Lessons

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## Tips That Make \$ense

- ◆ Be aware of your money habits...kids watch what we do!
- ◆ Give kids a piggy bank or open an account.
- ◆ Allow kids to buy small items, if they have money of their own.
- ◆ Read children's books with main characters who save or spend money responsibly.
- ◆ Create daily conversations about money; for example, explain where cash comes from at the ATM.
- ◆ Discuss how needs and wants play a role in what your family buys.
- ◆ Practice counting and math skills.
- ◆ Help children set small money goals such as saving for a new book.



Photograph by Lisa Boyer



Photograph by Lisa Woelbing

**Engage Early:** The goal of financial education for preschool-aged children is to help them become comfortable with making spending decisions, such as comparing choices or giving up one thing for another. These concepts are core for making financial choices later in life.

# Benefits of Early Financial Education

- Starting money conversations early allows kids to learn and practice financial decision-making skills.
- Setting a savings goal helps kids think into the future.
- Providing kids financial information/knowledge early, creates more confident and engaged adult consumers.



Photograph by Carmen Saucedo

## What Can Young Children Learn?

Research has found that the habits children learn when they are young form the basis for their future behavior. Young children can learn these key concepts to begin forming positive financial habits.

**Numbers** — Coins can be a fun tool to use to help children learn concepts related to numbers like counting and addition or subtraction. Help children build their knowledge by asking them to separate the types of coins and then count how many coins are in each pile. For instance, a parent could say, "The brown coins are pennies. How many pennies are in this pile?"

**Planning** — Help children set a goal to save money for a small purchase. When

kids then see something else they want, talk about how buying "it" now will get in the way of their goal. A child's ability to control their behaviors will be helpful when making choices throughout life.

**Markets** — Young children are learning how goods and services are exchanged in our society. They often do not understand why we need to pay for items in a store or exactly how this system works. Children begin by understanding how one item can be traded for another of similar value.

### 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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