



Back to School: How to Talk to Kids About Money

When we think of back to school, we think of what our kids will learn to set themselves up for success as adults.

Among these is understanding finances and managing money. Parents may question the best time to start teaching kids about money and many experts answer - the sooner the better.

Kids can learn a lot watching their parents, especially watching the preparations at the beginning of the school year. What they see can set a pattern for life.

Everyone looks forward to new beginnings, even as we continue to manage the challenges the pandemic provides. Now is a great time for the whole family to establish new habits.

Start Early

Experts say children as young as five or six can understand the basics of money. Gather the whole family together when you talk about available funds for back-to-school

supplies, clothes and any needed technology purchases.

Even before they are in first grade, children can understand what money is and how to spend and save it.

The conversations may vary depending on your child's age, but the general idea is the same - teach them that not every school supply is a "need" and that there are some budgeting limitations to follow. This will help them become comfortable talking about money and understand how budgeting plays a part in shopping.

Plan Ahead

Before heading out to the stores or to your favorite site online, work with the family to take inventory of what your child has now and what can be reused during the new school year. Set aside enough time to have a conversation about what is truly needed this school year, what can be reused, and what items fit in the budget. If you have more than one

child, remember that there is nothing wrong with hand-me-downs!

See if your child's school website has a shopping list for each individual grade. That way you can identify things that they need right now and what can wait.

With the store shelves already packed with back-to-school supplies and clothes, have your kids help to build a shopping list, then stick to it. Whether you shop online or in the stores, a little planning can help you save a lot of money.

Be a Smart Shopper

Once you've worked with the kids to build the shopping list, have a family meeting to pick the best stores or websites to shop. Compare prices. Look at sales and promotional pricing. Plan your shopping trip around the best deals for your budget.

For those in-person purchases, don't buy all your supplies from one store. Shop around! Certain stores will price match or have better prices.

Talk to kids about avoiding trendy supplies that feature the latest movie, superhero or cartoon characters. Usually, themed back-to-school supplies can cost 20-30 percent more than their generic counterparts. Having this conversation ahead of time, before the family heads to the stores, reduces the chance for “impulse” buying.

Wrapping Up

Talking about managing back-to-school purchases with kids is not as

challenging as you may think. It’s important to remember money plays an essential role in all of our lives. It’s good to start early by giving them the right information and leading by example.

Budgeting, spending, saving – what we model is what our kids learn. For help getting your financial house in order, contact our partners at GreenPath.



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