

30 Questions

Parents Can Use to Teach Their Kids About Money

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What is Your Financial Knowledge

1. What are wants and needs?

- a. Parents ask your kids: What's the difference between a "want" and a "need"?
- b. As adults and parents, we all have a better concept of wants and needs. Even we have to be reminded at times though, and it is an important distinction that many children simply do not grasp. Engage in a simple activity to show your kids the difference between a want and need. To your children anything they want enough instantly becomes a need. Ask them if they really need those new shoes, or do they just want them? Ask them to think of others things they might want but don't need. It will be a great start to begin distinctions that might help them save money in the future (see my post on the Two Minute Rule) and a great refresher for you too!

2. How Can You Celebrate Without Money?

- a. Parents ask your kids: How could you celebrate when you accomplish something that doesn't require money?
- b. The possibilities to do activities without draining your money are only limited by your children's imagination. I am sure from experience you know they have quite the imagination! Listen to your kid's ideas and try to put it into practice it in the near future. Don't just consider their ideas, actually do them. They might suggest fun and free activities all by themselves in the future. If you can create a reward for their creativity, not only will it fuel their creative potential throughout their life, but you will be establishing a healthy habit for them.

3. What Are Taxes?

- a. Parents ask your kids: Do you know what a tax is and why we have it?
- b. Many kids simply have no idea. Taxes are a concept more for your children that have a good handle on some basic money concepts. Talk to them about the different types of taxes before they start into part time jobs or their own business. They may know about some coin terms like Medicaid and Social Security, but not have any idea what these taxes actually do. Explain the different types of taxes to your children and how they might encounter them in their life. From sales tax to income, show how each affects them.

4. How Do Ads Influence Us?

- a. Parents ask your kids: Do you know that more than \$2 billion is spent a year on advertising aimed at kids?
- b. That is a pretty staggering number that most kids (and adults) have no idea about. The number of outlets reaching out to try and steer you towards a purchasing decision are phenomenal, and they are coming in more ways than just billboards, TV commercials and newspaper ads these days. Ask your kids if they know how all these ads might influence them. Tell them to think critically about ads and to use their brain when making buying decisions. Many times you are paying simply for the name on an article of clothing or toy, when there are products exactly the same at half the price! See if you can spot one of these items with your kids.

5. How Do Your Parents Make Money?

- a. Parents ask your kids: Do you know what your parents do to make money?
- b. Your children know that you work for your money, but most of them won't know what that actually entails. Explain what it is you do everyday that makes money and pays the bills. It will be a great learning experience for your kids to actually learn the technicals of a day to day job or your entrepreneurial lifestyle. Encourage them to think of their own ways to make money while you are at it. Teaching your kids what job expectations are and how companies work is important for their entry into the work force. You may find it ignites their creativity to start their own business.

6. How Much Does Gas Cost?

- a. Parents ask your kids: Do you know how much it costs to fill up a car's tank of gas?
- b. Your 15 or 16 year old probably knows this lesson all too well, but your younger children may not. It is never too early to introduce them to the facts that going places they want to go costs money too. Use this as an opportunity to talk about the advantages of having one type of car over another. An SUV guzzles gas but it is often necessary for larger loads. Hybrids save lots of gas but can cost more upfront. Find out how your children might save on gas like consolidating trips.

7. Can You Make a Present?

- a. Parents ask your kids: Have you ever made a present instead of buying it for someone?
- b. Some families make this a holiday tradition while others pick up all their presents at the mall. If your kids have never done this before encourage them to. Think of some ideas with your kids how they might make their own gifts this year. Sometimes the best gifts are the ones we make ourselves and not the ones we buy from a store.

8. What makes you decide on which pair of shoes to buy, which clothes to buy?

- a. Parents ask your kids: What makes you decide on which pair of shoes to buy, which clothes to buy?
- b. Most kids will give you two answers; either because it is what their friends wear, or simply because they like it. Both make perfect sense, but the hidden question to this is, “why do you like them?” It’s probably not one they are going to be able to give you a firm answer to, but the answer is most likely because they have been influenced by advertising. Ask them to reflect again on how advertising has been affecting them without them even knowing it. Hopefully they will learn to shop for similar styles that are half the cost.

9. What is your favorite store? Why?

- a. Parents ask your kids: What is your favorite store? Why?
- b. You probably already know the answer. Whether it’s Macy’s, American Eagle, Forever 21, Pac Sun or many more, there is usually one favorite store your kids always picks to shop. It may be the ambiance of the store or more likely the brand of clothing they find there. What you and they might not know though, is that lots of the exact same brands can be found at different stores for half the price! A dress that costs \$100 in Macy may be only \$40 or \$50 in Ross or Marshalls. Knowing that, doesn’t it seem silly not to buy the same clothes at half the price if you can? Be sure to visit some discount stores next time with your kids to find true savings.

10. How many of your clothes are from popular brands?

- a. Parents ask your kids: How many of your clothes are from popular brands?
- b. Ask your kids to physically go into their closet and count out the number of clothes from their favorite brand or two. Is it 30 percent, 50 percent or even 70 percent? Try to find examples of cheaper brands of clothing that are very similar to the one they like. There are many that are very similar in style and fashion, just with a different logo. Combine it with the previous example and see if they can find their favorite brands at other stores for much cheaper. Show them how they are spending so much extra money simply for a name!

11. Does it feel good to buy something on sale? Why?

- a. Parents ask your kids: Does it feel good to buy something on sale? Why?
- b. Hopefully they answer yes! But considering you have probably done most of the buying for your kids, they may not care or really appreciate a sale. Saving money should always be a rewarding experience. A good way to start your children learning is by giving them a set limit card of their own, just like the one we offer here at YOUTHpreneur. Something like the UPSide card can help your children appreciate the value of a dollar a bit more. Check it out today to learn more.

12. What was the best thing you ever bought? Why?

- a. Parents ask your kids: What was the best thing you ever bought? Why?
- b. You may or may not have any idea what the answer to this question will be. It could be an expensive and flashy toy, or it could be a treasured stuffed animal or other item from when they were younger. What this will give you is a good bearing on some of the things your child values. Ask them their top five. Try to show them that some of the best things they ever bought might not necessarily be the most expensive. Think of examples to help them find other items like these.

13. How do you act when you want us to buy you something?

- a. Parents ask your kids: How do you act when you want your parents to buy you something?
- b. Your kids may see the situation quite differently than you do! But sometimes the way they ask for things are not appropriate or the best way to reasonably ask for them. Try to instill in them a sense of self-ownership and make them earn what it is they want. That can be through letting them control their own set spending limits or coaching them when they are being obstinate, instead of just bowing down and purchasing things for them. Whatever your method if you can make them realize the value of the things they want, they will be better prepared to function in the real working world.

14. Is it easier to name your favorite store than your favorite charity?

- a. Parents ask your kids: Is it easier to name your favorite store than your favorite charity?
- b. For most kids it will be. After all, their favorite charity isn’t posting billboards and ads at every turn. But instilling a sense of charity and showing them how to give back to the community should be an important part of their life. Find out if they have any desire to help one cause or another and try to put it into action. Visit a soup kitchen and help out if that is what they like to do, or donate old clothes to the Salvation Army. Try to encourage whatever their charitable passions are and they will reap the rewards from helping throughout their lives.

How Can You be Charitable (or Delayed gratification vs. Instant Gratification)

15. How do you feel when your friend gets something new and you do not?

- a. Parents ask your kids: How do you feel when your friend gets something new and you do not?
- b. Your kids may shrug off this question or not. It is always good to know how your children react when their friends get cool new toys though. Now I'm not advocating every time your children's friends get a toy to go out and buy them one too – exactly the opposite. Knowing how your kids react to this kind of influencer though is important. Maybe you can do one of your free and fun activities with them to take their mind off this and show them they are special in their own right. This will help them learn to value more of what matters and less about every new bauble or toy.

16. How do you act when you get something new and your friend does not?

- a. Parents ask your kids: How do you act when you get something new and your friend does not?
- b. Children usually react in two different ways; they share their new toys with their friends, or they hold it over them and taunt them with it. Most of it is a reasonably good natured competitive spirit, but you should take the opportunity whenever possible to teach your kids to be sharers and to let others enjoy the benefits they have received. It is a philosophy they can use throughout their life and is essential in being an entrepreneur and a good steward of the business community. Giving back has many of its own rewards and it is never too early to be learning that lesson.

17. What are some of the things you could do to help reduce the monthly bills at your house?

- a. Parents ask your kids: What are some of the things you could do to help reduce the monthly bills at your house?
- b. Kids of different ages could have different ideas. The important thing is to listen to what they might do and suggest some ideas of your own. Maybe they can cut down on the water bill by taking quicker showers or cutting back costs on gas for the car by consolidating trips. It's possible they come up with an idea of their own that you might have never thought of and is quite good. Their idea could also be to not cut down on bills, but bring in additional income and how they might help do that. Whatever it is, listen and work with their ideas.

18. What could you do to help someone else besides give them money?

- a. Parents ask your kids: What could you do to help someone else besides give them money?
- b. This is another great question to find out what kind of charitable activities your kids are into. It can also be a great opportunity to help out the neighbors or a family friend. Perhaps as a weekly charitable act your kids can help the neighbor pick the acorns up off their lawn, help an elderly person with some of their groceries or a number of different things. Think of it as a way to instill philanthropy. Take their ideas into consideration and try to make them happen first before suggesting some of your own.

19. Could you raise money by selling some of your stuff?

- a. Parents ask your kids: Could you raise money by selling some of your stuff?
- b. Hopefully the answer is yes! A lot of us have the tendency to be pack rats and keep every stitch of clothing or toy we have bought for our children. But rarely do we use many of these old items anymore. Wouldn't you and your children rather sell off unused but still good items and turn them into cash instead? So clean out the closets, attic and basement with your children and show them how they could be making some extra money by selling off old stuff.

20. Could you raise money by helping your neighbors for a few hours a week?

- a. Parents ask your kids: Could you raise money by helping your neighbors for a few hours a week?
- b. Find out if your kids have some ideas how they could help out the neighbor and make some money doing it. Mowing their lawn or other various chores many neighbors are willing to pay for and help out your kids. The tasks don't have to take over their whole week, but if they start small and begin generating an income it will start to spark their own drive and creativity. Walk with your kids over to a neighbor's house you are friendly with and introduce them, but let them make the proposal to help out. It will give them a sense of ownership for helping.

21. What are two things that you own that you could give to someone else?

- a. Parents ask your kids: What are two things that you own that you could give to someone else?
- b. It could be a soccer ball, old clothes and more. Ask your kids to bury through their closet or the attic to find two things they are not using anymore. Maybe they have a friend that has always wanted something they have, but no longer use. Once they have picked out the items, make sure they follow through and actually give them to the friend, relative or even sibling. Maybe it is even an item they still like, but know another person would be happy to have. That kind of generosity will serve your kids well throughout their lives.

How Can You Save and Make Money (or Becoming a master to money instead of a slave to money)

22. How would you feel if you had to wait until you saved enough money to buy something you really wanted?

- a. Parents ask your kids: How would you feel if you had to wait until you saved enough money to buy something you really

wanted?

- b. Whatever the answer, this is something you should start teaching your children how to do. By giving them the responsibility to earn and manage their own money, not only will they value it more, but they will take pride in the things they have bought with it. It will certainly save you a lot of money and pull your children out of the “just charge it” and entitlement phase that so many have today.

23. Have you ever traded your time in exchange for something you really wanted? When? How did it feel when you were done?

- a. Parents ask your kids: Have you ever traded your time in exchange for something you really wanted? When? How did it feel when you were done?
- b. Maybe it was through helping a friend or neighbor out, or even you, to help get something they wanted. It should be a rewarding experience for them. Show them that mowing the lawn or other chores they get paid for are actually trading their time in exchange for the things they want. Money is the common denominator between all of it, but what we do with it is what really defines us.

24. How can you make sharing a part of your next shopping trip?

- a. Parents ask your kids: How can you make sharing a part of your next shopping trip?
- b. Listen to their ideas and see if they have any creative ones. Perhaps if they are going to buy something, they could also pick up something small for a friend and share with them. It could be as simple as sharing a ride to the mall with a friend. Whatever it is, the connection you want to make with them is between buying and sharing. When they do something for themselves that they are thinking about what they can do for someone else as well.

25. What things have you done with your friends where you had fun but didn't have to spend money?

- a. Parents ask your kids: What things have you done with your friends where you had fun but didn't have to spend money?
- b. This is another great question to find out where your kids' interests may lie without having to spend lots of money. Encourage more of these types of activities with their friends. Sure it's great to head to the water park, movies and other places every now and then, but they may be just as content to go over a friend's house and hang out without spending any money. Not everything fun requires money!

26. How do you feel when you set a goal, and then achieve it?

- a. Parents ask your kids: How do you feel when you set a goal, and then achieve it?
- b. Your kids should have a sense of accomplishment. Meeting a goal, even a little one, is always a rewarding experience! Meeting some of our bigger goals often are the most memorable moments in our lives. Know what your kids' goals are and how you can help them meet them, within reason. Don't do it for them! Also, be sure to congratulate your kids when they reach a goal.

27. How could you help your parents make more money?

- a. Parents ask your kids: How could you help your parents make more money?
- b. The range of ideas here could be huge, and usually it involves around one or more of your kids' interests. This can be a great opportunity to show them how to turn a hobby into a business. It is never too early to start them down the path of entrepreneurship. It could be anything from jewel making to photography, babysitting to mowing lawns. Whatever the idea, try to help them along and encourage them to start. There are some great tools here on YOUTHpreneur that can get them excited and give them a helping hand along the way.

28. Do you have a hobby or talent that could become a business that could make you money?

- a. Parents ask your kids: Do you have a hobby or talent that could become a business that could make you money?
- b. Follow up with the ideas from yesterday and really ask your kids to look into how they could turn a hobby into a business. Ask them to sit down and create a budget sheet. How much would it cost them for equipment or goods they might need, compared to how much they are making in profit? Is their hobby a feasible business? In the YOUTHpreneur Biz Kit you will find many of these items that can help simplify the process and explain all the terms to them. It's a great way to launch their entrepreneurial careers.

29. If you could have an extra \$500 per month, what would you do with it?

- a. Parents ask your kids: If you could have an extra \$500 per month, what would you do with it?
- b. Your kids' immediate answer might be to go spend it on a whole bunch of new things, most of them that will last them only a few weeks before being forgotten. Guide them through different ways to save and give back their money. If they have \$500,

ask them to put \$200 of it into a savings account, give \$100 to their favorite charity and keep the other \$200 for themselves to spend as they would like. This will set them up for long term success and the fundamentals of a budget. If we all spent every penny we got as soon as we got it, we would be dead broke before too long and have nothing for the future! This way, your children learn philanthropy and saving.

30. How would you Pay Your Family First?

- a. Parents ask your kids: How would you Pay Your Family First?
- b. Your kids may not know this term, but they should as it is one of the most fundamental to continued success and happiness. Pay Your Family First is not only my organization for financial education; it is also a way of being financially fit. What it means is that whenever you are accounting for your income or any good fortune that has come your way, to always share it and give back with your family first and foremost. Paying your family first not only helps you to strengthen bonds, but sets you up for success your entire life. I hope you have enjoyed these questions to ask your kids, and have both grown together because of them. I encourage you to join our ongoing conversation in the YOUTHpreneur community and to start your own. Have your kids sign up and spark their entrepreneurial spirit. It is a skill they will develop and keep throughout their lives.



Sharon Lechter is an entrepreneur, author, philanthropist, educator, international speaker, licensed CPA and mother. She has been a pioneer in developing new technologies, programs and products to bring education into children's lives in ways that are innovative, challenging and fun, and remains committed to education – particularly financial literacy. Co-author of the bestselling book, *Think and Grow Rich – Three Feet From Gold* with the Napoleon Hill Foundation, *Rich Dad Poor Dad* and 14 other books in the Rich Dad series, Sharon's most recent book project is *Outwitting the Devil* by Napoleon Hill – a manuscript hidden for over 70 years – annotated and updated by Lechter for the modern reader. She is the founder of Pay Your Family First, a company dedicated to empowering children and families to build prosperous futures through financial literacy education. With innovative, thoughtful and easy-to-understand programs and products, such as the ThriveTime for Teens board game and YOUTHpreneur entrepreneurial programs, Pay Your Family First teaches the practical skills that will give a new generation the self-assurance to become masters, instead of slaves, to their money. Sharon served as a member of the first President's Advisory Council on Financial Literacy, a national spokesperson for the National CPAs Commission on Financial Literacy, and an instructor for Thunderbird School of Global Management's Project Artemis. She is also a member of the National boards of Childhelp, Women Presidents' Organization, and EmpowHer. For more information visit www.sharonlechter.com and www.payyourfamilyfirst.com.