

3 Money Lessons To Teach Your Children Before College



Amy Slenker-Smith, Contributor Sept. 9, 2024

We dropped my son off at college last month. Our nest is officially empty. As we adjust to life without him, we enjoying a different work schedule with more travel and time with family and friends.

We intentionally created a life with financial freedom by living below our means and owning less stuff. In the process, we set that example for our son. Throughout his childhood, we taught him three specific money lessons. And now, as a young adult, he talks about living debt-free and his desire to set financial goals for himself.



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Here are three lessons we taught our son that significantly impacted his financial acumen as he transitioned to college.

1. We Did Not Buy Everything He Wanted

We taught our son the difference between wants and needs from the beginning. This was closely linked to the physical boundaries we set for how much stuff we own. Boundaries influence not only our physical space but our budget as well.

For example, he needed new clothing as he grew. But he did not need a new wardrobe at the beginning of every school year. We went through his closet twice a year to donate clothes. So we knew exactly what to buy. We had conversations about being content with what we already own. When it came to specific items he wanted but were outside our budget, he learned how to save money to purchase them himself.

We also discussed trade-offs of one purchase for another. When he was young and saw a toy he wanted, I asked if he wanted the toy or a trip to the zoo, or an amusement park. Every time I asked the question, he chose the experience instead. Research supports my son's choice. Experiences result in less clutter and an opportunity to connect with people. Even children understand the difference.

As he prepared for life in a dorm room or 228 square feet of shared space , we took the long lists of recommended items and considered the practicality of each one. Some items were expensive but supported his health. While others were unnecessary and we could save money and space by not buying them.

And my son choose to spend some of his own money on items he really wanted. The end result was a minimalist, yet comfortable dorm room of necessities. We sought to keep the small space as open and easy to care for as possible.

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2. Give, Save, And Spend

Give, save, and spend was the second key lesson. Once our son started receiving money for birthdays and holidays, we taught him to split it into three categories. Give 10%, save 40%, and spend 50%. For starters, it was a sneaky math lesson.

Practicing with smaller amounts of money made it simple for him to understand and easier to build the habit of giving and saving. We also knew that making mistakes with smaller amounts of money would lessen the likelihood of expensive mistakes when he was an adult.

3. Spend It On Paper First

When our son was 11 he wanted to build a gaming computer. He was so excited and compiled all the links to the various components. Before he started buying (or asking us to buy things), we asked him to write down every component and the cost. Then, we asked him to write down the price of a few games he wanted to play.

The final tally was \$1,300 and he was surprised. This is what it means to spend it on paper first. Now, we knew he could save birthday money, sell stuff, and rake leaves to earn the money he needed. But by writing it down, the thought of spending \$1,300 was painful. After some conversation with us, he opted for a \$500 gaming system instead and started saving money in an envelope.

Another benefit of saving money and buying items for himself is that he takes very good care of them. I suggest making kids buy their water bottles.

As parents, teaching our kids how to manage money is perhaps the single most important lesson we can share. Starting at an early age, we made this a part of everyday life. But it began with my husband and I's desire to achieve financial freedom and own less stuff. And it's never too late to start.

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