

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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