

**August 17, 2004**

**Tips for Teaching Kids About Money**

- Put children on commission instead of an allowance-Reward your children for completing jobs around the house by giving them a commission. The amount of money depends on how much work is finished.
- Make a spending chart-You and your child should decide how to spend and save his or her money. A certain percent should be saved and a percent should be given away to a charity or church.
- Teach kids about the negative effects of credit and being in debt-only allow children to pay cash for the items they want and need. Explain to them that being in debt means you have to work more to pay the money you owe.
- Set goals on how much money to save to buy things with cash-Working to buy things gives kids more pride in themselves.
- Spend money wisely-teach children that spending money on items that last is a better investment than buying items that do not such as candy.
- Offer non-monetary rewards for exceptional work-when your child does an extra job or does a job well, let them make decisions like what to eat for dinner or the family activity.
- Start saving for college or trade school-the sooner you start to save the better.

\*These are lessons best learned as a kid, and once mastered will lead to a lifetime financial peace and 'freedom'.

Provided by Dave Ramsey

Dave Ramsey hosts the nationally syndicated radio call-in program "The Dave Ramsey Show" and has authored three best-selling books: *The Total Money Makeover*, *Financial Peace* and *More Than Enough*. For more information visit [www.daveramsey.com](http://www.daveramsey.com).