**Tips to Teach Children How to be Financially Responsible**

April is National Financial Literacy Month and your community bankers encourages parents to take this opportunity to teach your children the importance of financial responsibility.

By making financial education a family priority, children will learn the importance of budgeting, saving, investing and using credit wisely. The path for financial success starts in the home and children learn best by watching the example their parents set.

The following tips are simple ways that parents can provide the foundation necessary for their children to make sound financial decisions for the rest of their lives.

1. **Teach children to save starting from a young age.** Encourage young children to save their birthday money from grandma, coins they find on the car floor and other money in a piggy bank or a shoe box. Have them count the money at the end of every month so they can see how it grows.
2. **Open a savings account for your children.** Once your child is a little older and receives an allowance in addition to potentially earning money for doing household chores or babysitting, take them to the local community bank to open a savings account. Teach your child to set aside a portion of the money they earn every month to deposit into this account.
3. **Have your children help manage household monthly bills.** Teach your children about paying monthly bills and balancing a checkbook by having them assist with simple finance tasks.This could mean they open the monthly phone, electric or cable bill and assist with balancing the family checkbook after these bills are paid. Use this opportunity to begin teaching them how to budget by using your family expenses as an example.
4. **Look for children’s financial literacy programs in your community.** Financial literacy programs are often sponsored by local community banks, and April is an ideal time to be on the lookout. Also, many

schools are starting to add a financial literacy component to the curriculum. If this isn’t offered in your child’s school, ask the principal if it could be added.

1. **Open a checking account for your children.** Children in high school often have part-times jobs and therefore have money that can go into both a savings and a checking account. This is also a good time to discuss the importance recording every deposit and withdrawal to avoid overdraft fees and other unnecessary charges that can come with a checking account. Help them set long-term goals for how much they want to put into savings and the remainder can go into their checking account.
2. **Teach your older children how to create and stick to a budget.** Once your children are close to going off to college, they must learn how to budget as they will soon be doing this on their own. Sit down with them and create a realistic budget, including expenses such as renter’s insurance that they may not think about on their own. Emphasize the importance of living on less than you make and avoiding debt, if at all possible. Discuss how to responsibly use credit, look for low interest rates, and avoid late fees and interest payments.

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