



Being Financially Responsible

Title

Parents as Financial Role Models

FAMILY CONNECTIONS

Unit:

› 1 Being Financially Responsible

- 2 Using Financial Services
- 3 Financing Your Future
- 4 Getting Paid
- 5 Paying Yourself First
- 6 Using Credit Wisely
- 7 Making Major Financial Decisions
- 8 Growing and Protecting Your Finances

Connect

In school, students have been asked to consider their financial futures, evaluate their current money habits, and explore ways to budget their money and spend wisely. There are many factors that influence a person’s money habits including peers and the media. However, families play one of the most important roles in helping to mold their children’s money habits. They serve as role models for financial behaviors and can encourage their children to develop good financial habits. Attitudes towards finances, a willingness to ask questions about money management, and values that impact financial decisions all start at home. Spark conversation and take action with the ideas below.

Talk

- How did you learn about money? Was it from the “school of hard knocks” or did you have a more formal financial education? Share stories with your child(ren) about how you learned to manage money, including some lessons that you might have had to learn the hard way.
- Do you consider yourself more of a spender or a saver? What about your child? Discuss your reasons for saving money (emergency fund, a specific goal, retirement, etc.). If you find it hard to save, share why you think this is and any strategies you can use to save more often.
- Is money an easy topic to discuss or one you think of as taboo? Every family is different. Some discuss finances easily while others avoid the topic altogether. Be open with your child about how easy or difficult these conversations are for you. If these kinds of discussions are new, start small and work up to discussing more challenging topics.
- What does your family do to track spending? Do you have a household budget? Share your personal strategies for trying to spend less than you earn. What has—and hasn’t—worked over the years?

Pathway to Financial Success

In Schools

Act

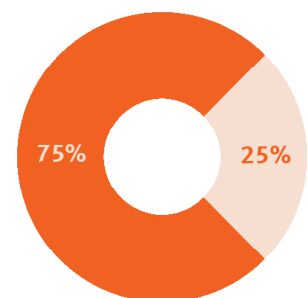
- Make household finances visible. Nowadays, many financial transactions happen without children being aware of them. If your paycheck is automatically deposited and/or your bills are paid online, your child may not recognize that these are happening. Share a recent bill with your child and discuss how it is paid. Talk about where your income goes.
- Set family financial goals and track the progress. Perhaps your family wishes to pay off a debt or save for a big expense such as a vacation, new car, or fun experience. Ask your child to share what they know about setting SMART goals. Discuss your family goal and provide regular updates about progress. If setbacks occur, address them and talk about how to get back on track.
- Choose your words carefully. Instead of saying, “We can’t afford that,” try, “That is not something we choose to use our money for” or “We will need to save money to purchase that.” Doing so places the emphasis on the financial choice rather than the availability of money.
- Allow your children to make mistakes with their money. Some of the best lessons are learned from making poor choices and living with the consequences. Use these as teachable moments and discuss what can be learned and how they can make a better choice the next time.
- Is your teen glued to their phone or another device? Social media, video games, and other online content can influence both teen and adult money habits. Watch the video “[How Social Media Keeps You Poor!](#)” from the PBS series, *Two Cents*, together and discuss how spending habits can be influenced by others.
- Admit your own limitations. It is okay if you are still learning to have good money habits yourself or there are financial concepts you don’t understand. Learn together with your teen.

Learn

- [Money as You Grow](#) from the Consumer Finance Protection Bureau gives tips for parents to [guide their money conversations](#) as well as information on how [children develop money skills](#).
- [Money Smart for Young People](#) from the Federal Deposit Insurance Corporation provides parent/caregiver guides with suggestions for talking about a variety of financial topics with students at every grade level.
- Books such as *Make Your Kid a Money Genius (Even If You’re Not)*, *The Opposite of Spoiled*, and *Raising Financially Fit Kids* are just some of the ones you can find at your local library, bookstore, or online. Just like other books on parenting, each takes a slightly different perspective and offers tips for helping to guide your child to financial success.

Where Teens Turn for Money Advice

When asked, “Who or where would you go if you wanted advice about money?”, the overwhelming response from teens is their parents. Selected by 75% of survey respondents¹, parents far outpace other sources of financial advice, including other family members (25%), friends (20%), teachers (25%), and YouTube (17%).



¹[T. Rowe Price 2022 Parents, Kids & Money Survey](#)