



## UNIT 1

## Being Financially Responsible

## Topic

## Examining Money Habits

## FAMILY CONNECTIONS

Unit:

## › 1 Being Financially Responsible

2 Using Financial Services

3 Financing Your Future

4 Getting Paid

## Title

Parents as Financial Role Models

## Connect

In school, students have been asked to consider their current money habits. Do they think about their spending decisions? Do they save some of their money towards a purchase they wish to make in the future? 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 behavior and can encourage their children to develop good financial habits.

## Talk

- Do you consider yourself more of a spender or a saver? What about your child? Together, take [a short quiz](#) to find out. 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.
- Talk about the challenges of saving money and what your child can do to begin this habit early such as opening a savings account and making regular deposits.
- 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.

## Act

- Make finances visible. Nowadays many financial transactions happen without children being aware of them. If your paycheck is automatically

## Pathway to Financial Success

In Schools

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.

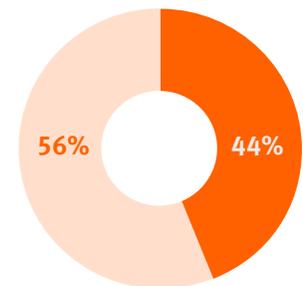
- Set family financial goals and track the progress. Perhaps your family wishes to pay off a debt or save for a big expense such as a vacation, new car, or fun experience. Discuss your family goal and provide regular updates about progress. If setbacks occur, address them and talk about how to get back 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 “That is something we will need to save money to purchase.” Doing so places the emphasis on the financial choice rather than the availability of money.
- Allow your child to make mistakes with his or her 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 he or she can make a better choice the next time.
- 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 a [Parent/Caregiver Guide](#) with suggestions for talking about a variety of financial topics with students in grades 9 through 12.
- [Habit Changers](#) from the American Institute of Certified Public Accountants offers suggestions for establishing a budget, getting out of debt, and changing specific financial habits such as frequently dining out.

## Children Managing Their Own Money

44% of parents allow their children to decide how to save and spend their money on their own. Surveys indicate that children who manage their own money have better financial habits and are also less likely to lie to their parents about how they spend their money.<sup>1</sup>



<sup>1</sup><https://www.prnewswire.com/news-releases/t-rowe-price-parents-are-likely-to-pass-down-good-and-bad-financial-habits-to-their-kids-300428414.html>