Hi everyone, Jerry Manor here. Today on SeaComm Money Matters, talking to your kids about money. As Crosby, Stills, Nash & Young sang, “Teach your Children Well”

Despite the value in early financial education, many parents have difficulties having a financial conversation with their families. A recent survey found that 42% of parents are at least somewhat reluctant to talk about financial matters, and 22% said they never had financial discussions with their kids. Unfortunately, financial information at school is hard to come by too which means that parents play the most important role in developing a child’s attitudes towards money.

Don’t wait until your son or daughter already has a job and is out in the world spending. The older you get, the more costly money mistakes become, so it’s better to begin when they’re young. It’s much better learning a lesson by losing a few dollars, rather than a few hundred. You know your kids so you can judge when the best time to start might be, but generally kids are ready when they can understand the basic math behind spending. Teaching younger kids could be as simple as giving them their own lunch money and letting them decide how to spend it or explaining the costs on the receipt after a shopping trip. With small, age-appropriate lessons and responsibilities, kids will begin to build an understanding that sets them up for success in their teen and adult years. As they get older, let them in on family finance conversations. If you’re saving to get out of debt or to go on a vacation next year, explain to your kids what that means. Show them the trade-offs. When you take the kids to the store to buy new clothes or backpacks for school, make it clear you won’t buy unnecessary things because you have a goal to work towards. Sharing every detail about your income and monthly bills probably isn’t necessary, but it is important to share some of the reasoning behind the decisions you make. Even if you made bad money decisions in the past, share them, and explain what you’re doing to fix them, so your kids can avoid making those same mistakes in the future.

As soon as your child starts earning money, whether from a job or a weekly allowance, show them the importance of being intentional in how they use it. For younger kids, a visual system can work well. Give them three envelopes, one labeled spend, one labeled save, and one labeled give. Teach them that once the money is gone, they’ve spent it. There’s no taking cash from savings to spend today.

Once your child turns 16, helping them open a checking account at SeaComm can teach other important lessons. Since you are a joint-owner of the account, you can keep track of their spending, set limits, and receive alerts. This is one of the best ways for a teen to learn about handling their finances at a financial institution. They still have control over their account, but you have oversight and can have conversations about the decisions they make—something that isn’t always possible when they’re older and completely responsible for their own decisions.

As activities and expenses pop up throughout the school year, they’ll learn to prioritize and figure out where the best places to use their money are.

Be sure you set a good example with your financial habits and help them set their own financial goals. Sit down with your child and brainstorm some things they would eventually like to buy or do. For younger kids, this might be a new video game or toy that they have to save to get. For high school age and up, you’re probably looking at saving for college, a car, or an upcoming school trip.

Equip your kids with the tools they need to work towards their goals. Teach them the more they spend on little things now, the less they will have to put towards the big thing later. Learning good spending habits and financial skills early on is the key to a lifetime of success.

That’s it for today on SeaComm Money Matters. I’m Jerry Manor, have a great weekend!