

Teaching Your Kids About Money

Eric and I have two kids each who proudly are the centre of our worlds. As much as we want them to have nice things in life, we feel it is also important to teach them about money and healthy financial habits. Here are some tips to help talk to children about money:

- 1. Split money into three buckets: Spend, Save and Share.** This help teach children to think about what they can do with money, that spending is not the only option, and the importance of saving and helping others.
- 2. Talk about how you make money and where it is spent.** Given the prominence of credit and debit cards and other payment technology, kids rarely see money change hands. Letting kids know that money does not grow on trees but rather comes from hard work is important. Understanding your job pays for your house, food, car, gas, and internet can be things they may take for granted.

- 3. Share money mistakes you have made.** Kids love hearing parents are fallible. Within reason, share stories of mistakes you have made and how you learned the hard way. Examples could include overspending on your first credit card or regretting that you did not start saving sooner in life.
- 4. Set a financial goal.** Show them how to plan and save up for something such as a new video game, expensive clothing they MUST have, or even their first car. What are they willing to do for it? How long will it take? It also teaches trade-offs and financial discipline – what we feel are two great attributes to long term financial success. Kids who have worked hard to earn their reward also feel empowered versus entitled.
- 5. Teach them how to negotiate.** Overcharged on a bill? Have them listen as you problem solve and work to get your money back using positive conflict resolution skills. Ask them what they think is fair to be paid for chores. Why do they deserve more allowance? This also helps teach them the value of their time.
- 6. Discuss the impact of fees and interest.** Show them where to review items such as bank fees, cell phone

bills, or how interest charges add up and take a bite out of hard-earned money. It is paramount to explain credit cards and the impact of paying upwards of 20% interest on the balance.

- 7. Get them involved.** Grocery shopping can be a great experience to learn what things cost, how to look for sales and work within a budget.
- 8. Tell them no.** Our kids are not shy asking repeatedly for things. While wanting to do nice things for our kids, we also want to avoid raising entitled children. Sometimes the best answer is no.
- 9. Pay for half.** Growing up, our parents would sometimes compromise to pay for half a purchase. This meant we had to raise the other half and would look for the best deal as it saved us money.

By teaching kids about money, it can help them grow up to be financially savvy and confident. It could save parents money in the long run too!

Until next time: **Invest Well. Live Well.**

Written by Keith



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The views expressed are those of Eric Davis, Senior Portfolio Manager and Senior Investment Advisor, Keith Davis, Associate Investment Advisor, and Heidi Bradley, Associate Investment Advisor, of TD Wealth Private Investment Advice, as of March 5, 2026, and are subject to change based on market and other conditions.

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