10 Keys to Raising Kids Prosperity Minded Kids

By Ellen Rogin, CPA, CFP®

What if your kids could grow-up having a healthy relationship with money? Imagine the benefits for them if they did not have any of the baggage that most adults have when it comes to money, investing and financial decision making. Would they choose careers that they love as opposed to ones that they think they *should* be in? Would they fight less with their spouses about money? Would they be generous, charitable and financially responsible?

Here are ten keys to bringing up financially well-adjusted and prosperity-minded children:

Share your values with your children. Help them to understand the link between identifying what is important and spending. For example, if education is a value in your home let your kids know that you are deferring spending money today so that you can put money away for their education down the road. Or, if you are planning a family vacation (in alignment with the values of travel and time together) find an example of not spending money today (such as going out for dinner) so that you can use this money instead on your up-coming vacation. When money is spent indiscriminately kids will learn to be unconscious with money. Instead, teach them to be deliberate.

Stop whispering; money doesn't need to be such a secret. People are so terribly secretive about money. I'm not suggesting that you need to divulge every little detail about your financial situation or financial woe, but open up the conversation about money with your kids. Let them know when you are investing. Explain what's happening in the economy today and how this affects you. Now, more than ever, your kids are picking up money messages. Instead of letting them overhear a conversation (and possibly get too worried or concerned) use what is happening as a way to educate them.

Express Gratitude. Even in the most difficult of times there are things we can be grateful for. Teaching your kids, no matter their age, to focus on what they are thankful for is a wonderful way to put money in its place. Most nights before we go to sleep we share with our kids 5 things that we are grateful for. Rarely is what we share material in nature. Instead our kids often list things such as: I am grateful that we are a family; I am grateful that we are happy, healthy and safe; I am grateful for my friends; etc.

Teach your kids to be willing to do what it takes to get what they desire. Are your kids willing to take action to meet their dreams and goals or do they expect things to just come to them? In our efforts to make our children happy sometimes we have failed to teach them that often you need to work for what you want. I believe that when we are clear on what we desire in life, what we desire often comes to us easily; it doesn't mean that we don't have to be *willing* to do what it takes to accomplish our goals.

Show them that having fun doesn't always involve spending money. Does all of your family entertainment have a price tag associated with it? Instead of going to sporting events, movies, plays or shopping as a way to spend family time together find ways that don't cost anything. Playing board games, going for walks or playing games outdoors are ways to spend time together, have fun and they don't typically have a financial cost associated with them. These are often the activities that, no matter what age your children, they will value and remember the most.

Be dedicated givers. Giving to others is one the best ways to not only share our values with our children, but also to help them focus on their blessings. Whether you volunteer as a family or make decisions on charitable contributions as a family you are helping your kids realize that one of the blessings of money is being able to help others.

Guide them to become life-time learners. Learning throughout our lives keeps us growing and contributing. In the areas of money, show your children that you are still learning and share with them ways to learn. This may involve reading newspapers, magazines or books. Or, it may mean attending lectures or periodically watching the financial news. The world is always changing and we should all be constantly learning about new opportunities.

Train them to use their minds to picture the results they desire. Our minds are amazing tools. We have the ability to mentally rehearse the results that we desire and substantially improve our ability to realize these outcomes. Athletes have used visualization techniques to enhance their performance for many years - teach your children to do this as well for any goal that they have, including financial goals.

Consider giving your children allowance. Allowance is a great place to start teaching your children practical lessons about money management. Each family has to make a decision about what age to start giving allowance and how much money to give. Our children started receiving allowance in kindergarten. We set very specific guidelines for them about the allocation of this money. A portion goes into their piggy banks for long term savings (later to be brought to the bank for deposit into their accounts), a portion goes to help others who are less fortunate than we are, and a portion is for them to spend. Over time, I have seen them learn about saving for larger purchases. My daughter enjoys counting the money she has saved for spending, and accumulating enough for a big purchase. She has learned that the more she saves, the more choices she has when she decides to spend this money. We talk about spending money on things that she truly values. (Which is not always on things that I value, but this is part of the learning for both of us.)

Be aware of the messages your children are picking up and the words you use when talking about money. Children are amazing at picking up on the messages, even those that are not verbalized. What are you really teaching your kids about money? Are you teaching your children that money is scarce, rich people are bad or financial decisions are frightening? Do they see you arguing about money with your spouse? Be aware and deliberate on how you discuss money *with* them and *around* them. You are incredibly influential in forming their future beliefs about money. Do your best to make sure the messages they are picking up are healthy ones.

By being conscious of what we say and do with our children regarding money, we can help them form positive money habits they will have for their entire lives.

Ellen Rogin, CPA and CFP®, has been an entrepreneur in the financial services industry for over 20 years in Northfield, Illinois. Ellen is co-author of the book, *Great with Money: The Women's Guide to Prosperity*.

   ellen@ellenrogin.com   www.ellenrogin.com