

Total Cents Podcast Lesson 1

Getting Money In Their Hands

Topic Overview

We often try to get our kids to learn about money without actually getting money in their hands—to practice. We wonder why kids are going to college and lack budgeting skills. Some even build up credit card debt. That happens because they never had money in their hands to figure out what to do with it.



Your Intro Discussion With Them

Parent's Opening Warm Up Comments:
Give your version my soccer ball analogy.

Imagine you wanted to learn to play soccer. Lots of your friends are playing but you have historically shied away from the sport because you just aren't good (yet!) and felt embarrassed to play with other girls who have been playing for a couple of years.

I played soccer back in middle school so I'm at least qualified to give you your first lesson. We get in the car, drive down to the local high school that has a soccer field, and excitedly we jump out to get started on the path to a full 4-year college scholarship. We are both on the field, and I happily say to her, "Ok, get to it!"

You stand there looking at me strangely and politely ask, "Don't we need a soccer ball to practice?"

I reply, "No, that's ok. Just run around and imagine you are kicking a ball. That's just as good."

Now, we both know it's not productive to practice soccer without a ball. When you hear it like that you think, "Duh, who would ever do that?" People wonder why kids go to college lacking budgeting skills and why some even build up credit card debt. That happens because they never got to practice with a soccer ball—real money in their hands—and had to figure out what to do with it. That's what we are going to talk about tonight.

Step 1

Go BIG Picture

- What are the ways that adults get money to spend on the things they need/want?
- What are the jobs that people might have?
- How does each of those jobs differ in income and what does that mean long term to their lifestyles?

Step 2

Getting to the important relevance

- If you had a friend that said, I wish I had money to spend, and you were coaching THEM, what ways would you suggest they could get more money?

Step 3

Bring it back to them

- Now we talked about advice you would give to a friend earlier. How do you think it's best for you to start to make a little money?

Conversation Wrap Up

Here is a suggested way to wrap up the conversation:

Now that we had this conversation, we thought we'd start implementing some of these ideas in our own house. There are certain things we are going to pay for you (until you graduate college that is). Those include things like:

- Shelter
- Food (basic meals...not always the extras)
- Basic clothes (not the \$300 Michael Jordan sneakers)....don't use that example they'll have no idea what on earth you are talking about

Then there are going to be things that we are going to give you an allowance for. This is money that we would otherwise have just spent on you, but now you're going to be in charge of that money and do the actual spending with it. It will be good practice for you to understand how things work. Things that come in that category include:

- Gas for your car
- Lunch at school
- Finally, any money you need for your "wants" you have to earn. You can do that through working for someone else in a store or restaurant. Maybe you'll do odd jobs (that could be for us or neighbors), or maybe you'll even start a business like babysitting or mowing lawns. You're call. If you want to buy anything that isn't basic living stuff you'll get the chance to make that money....you'll just need to put thought into it