

Total Cents Podcast Lesson 1

Getting Money In Their Hands

Topic Overview

We often try to teach our kids about money without actually getting it in their hands. Then we wonder why kids are going to college and lack budgeting skills. Many college students even build up credit card debt. That happens because they never had money in their hands to practice.



Your Intro Discussion

Parent's Opening Warm Up Comments:
Give Your Version of My Soccer Ball Analogy.

Imagine you want 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 feel 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 you, "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 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 some ways that adults get money to spend on the things they need/want?
- What are the jobs that people might have?
- How do each of those jobs differ in income and what does that mean to their long-term 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 making 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 pair of sneaker)

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 fall 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. Your call. If you want to buy anything that isn't basic needs you'll get the chance to make that money...you'll just need to put thought into it.