

# Total Cents Podcast Lesson 2

## *The Value of a Dollar*

### Topic Overview

*A common complaint of most parents is, 'my kid doesn't know the value of a dollar.' If you, the parent, are paying most of their expenses, how would they know? Think about how you learned about the value of a dollar. Growing up, you gradually had to pay for items and hopefully earned more and more money to accompany and account for those expenses. This lesson will help you teach your child the value of a dollar.*



### Your Intro Discussion With Them

Bring to dinner: Paper, pen, & family budget (if you have one)

*It's time to have a grown up conversation with you about money. Specifically, we want you to start building an appreciation for how much things cost. We realize that we've never shared such private family information with you, but feel like you are old enough to have the conversation and trust that you'll keep the information within our family and not share it with others.*

# Step 1

## Start with a game

**We are going to give you a list of things and we want you to write down how much do you think they cost. The average house? The average car? The average restaurant meal per person?**

*It's a game, don't share yet. Think US national averages for your answers, not just where we live.*

Home: \$375k

Car: \$42k

Meal: Depends: \$20-30

# Step 2

## The cost to raise you

**How much do you think it costs to raise the average child in the United States (don't include the cost of college)?**

*\$230k (USDA Cost of Raising a Child in the US)*

*Try to name a few specific items (not the cost, just the category), that go into that number. Let them brainstorm a list.*

*Possible expenses:*

- Clothes
- Food
- School (tuition, supplies, other)
- Sports
- Lessons
- Tutoring
- Transportation (include some of the car payment, gas, insurance)
- Often Forgotten Items:
  - » Mortgage
  - » Taxes
  - » Gas
  - » Family dinners

*Let's try to guess how much each of those things costs. Just give a few examples.*

# Step 3

## Share the family expenses spreadsheet

**The Family Expense Spreadsheet helps answer the "How much do you make?" question. Let's brainstorm a list of all our family expenses.**

*As they rack their brains, you can assist them with some of the major areas in which a family usually has expenses:*

- Mortgage
- Property Taxes
- Car/Gas

# Step 4

## Have some fun time - debate time: take a side

**Are older kids more or less expensive?**

*Factors*

- Baby gear and diapers
- Babysitters/child care
- New driver in your household (car, gas and insurance)
- Is there a discount for having more than one child?
- Families with 3 or more children have expenses that are 24% less the USDA stated \$230k cost per child.

# Conversation Wrap Up

We realize that it's not always so easy to have an appreciation for what things cost. But as you walk around during the day, start paying attention to what you're seeing and try to guess how much they cost. You'll find that when you do this, you'll gradually begin to get a good feel for the value of things.