

Centsible parenting

A newsletter for parents of first grade children

WHAT DO YOU THINK?

Scott and Mom are waiting in the checkout line at the grocery store. Scott immediately starts asking for gum, then a candy bar, and finally a plastic squirt gun. Mom says, "No, you don't need that." Scott continues to whine, "But Mom, I want it, I REALLY want it!"

(See end of newsletter for a possible answer.)

Children need to have experience handling money in order to learn its value. When your child is old enough to be in school, you may be confronted with the allowance issue. This is one way for a child to have his or her own money.

Whether or not your child is ready to get an allowance depends on age and maturity as well as your family's financial situation.

Your child is probably old enough to start getting an allowance if he or she understands you use money to buy things.

KNOWING HOW MUCH AND HOW OFTEN

The first question you may ask is how much should the allowance be. Well, that depends on what you want it to cover.

For a young child, a small allowance should be enough so the child might have money for:

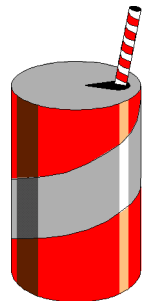
- personal use
- savings
- giving
- sharing

No matter what age, the child should have enough allowance to cover some needs but be small enough so he or she will have to make some choices.

It's important that you sit down with your child and talk about how the allowance money can be used. Try not to have too many limits, as the idea is for the child to have some money to spend any way he or she wants.




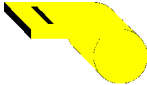


The allowance should be given at the same time each week. You may find that once a week is too long for a young child to wait. If so, try giving the allowance twice a week.

Chances are good your child will spend the allowance and still ask for money to buy something else. While you may want to just give the child more money, that's not helping teach money management. Your child will soon learn to think before spending the allowance.



MAKING AN ALLOWANCE CHART

Children have trouble understanding time concepts and money limits. If you and your child make a chart to post on the refrigerator you will have a picture to help teach these ideas. Below is a sample chart showing when the child gets an allowance, how he or she spends it, and if anything is left. Use pictures or stickers to make the chart colorful and fun!

| Child's Name — Scott | | | | | | | |
|---------------------------------------|---|---------|-----------|---|--------|----------|--------|
| | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Sunday |
| When Do I Get My Allowance? |  | | |  | | | |
| What Did I Buy? |  | | |  | | | |
| Am I happy with how I spent my money? |  | | |  | | | |

CONSIDER THIS

Mom says, "Scott, I know you want to get something. I won't buy you those things, but if you really want something, you can spend some of your allowance. Do you want me to help you pick something out that you can afford?"

COMING IN DECEMBER: MAKING DECISIONS AND SPENDING

Prepared by Donna K. Donald, family life field specialist, and Vicki W. Sickels, former family support program associate, and edited by Laura Sternweis, communication specialist, Iowa State University Extension.

... and justice for all

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This newsletter is published for families with first grade children by Iowa State University Extension. For more information about parenting education, contact your local county extension office or access the Iowa State University Extension to Families website, www.extension.iastate.edu/families.