

FOCUS ON THE FAMILY  
RESOURCES

Your  
Kids Can  
Master  
Their  
MONEY

FUN WAYS TO HELP THEM LEARN HOW



RON and JUDY BLUE  
JEREMY WHITE



Tyndale House Publishers, Inc.  
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*Your Kids Can Master Their Money: Fun Ways to Help Them Learn How*

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Judy and I want to dedicate this book to our parents, who modeled financial responsibility—and to our children, Cynthia, Denise, Karen, Tim, and Michael, who daily modeled teachability as they were growing up.

—*Ron and Judy Blue*

I dedicate this book to my parents, Jerrell and Connie White. May I pass on their wisdom and character to my children.

—*Jeremy White*



## Acknowledgments

We owe a deep debt of gratitude to our five children, who taught us much about responsibility and maturity as we watched them grow up. Today they are not only responsible money managers but, more importantly, in every case responsible parents who are in turn modeling and teaching their children.

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We also want to acknowledge our relationship with Jeremy White, who has been a joy to work with over the last several years on multiple projects. There could be no one better as a co-author than Jeremy White.

Lastly we, like millions of others, have been deeply impacted by the wisdom of Dr. James Dobson. Much of what we know

about parenting came from his teaching. God has used him mightily in our generation, and to call him a friend is a deep privilege.

—*Ron and Judy Blue*

Like many adults traveling on the journey of parenting, I acknowledge my inadequacy as a parent. I suppose God is still honing and shaping us as parents. That's why parenting is so tough. With my professional financial background, I'm comfortable in the financial realm. But applying that financial knowledge—or any knowledge—to help your own children is a challenge.

I could not have arrived at this point without Sharon, my parenting partner and life companion. She is my sounding board, prayer warrior, motivator, balancer, and encourager. How I enjoy the journey with her!

The activities in this book have been kid-tested by our daughters, Jenaye and Jaclyn. They have graciously put up with many of Dad's money games, planning ideas, and money lectures. The readers and kids out there should thank them for helping to eliminate some of the not-so-fun activities that were left out of this book.

I would also like to thank Ron Blue for his wisdom that oozes out with such ease. With a humorous and gentle humility, he helps me and so many others reduce the complex to the simple essentials.

People often ask me how I find time to write books and maintain a full-time accounting and investment practice. It's only possible by God's empowerment and a great support team of Kris White, Pam Estes, and Todd White. You three are such valuable co-laborers for these big writing projects. Thank you for your patience and editing.

—*Jeremy White*

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## How and Why to Use This Book

Emily wastes more money at the mall costume jewelry store on cheap accessories than you made in an entire summer mowing yards when you were her age.

Jacob begs and manipulates you for every new electronic gadget for the computer and game console. You're not even sure what some of these things do! Resourceful, but unwise, Jacob simply advises you to whip out the plastic.

Nichole saves her best tantrums and pouting lips for the checkout lane when she doesn't get her sweet tooth satisfied.

Michael just added a few more gray hairs and wrinkles to your collection when he told you his intentions to quit college after one year. He has to work to pay off his credit card debts. He didn't handle wisely the numerous credit card offers and opportunities for late-night pizza.

Whew! How can you equip your children to survive financially? How can you reduce the conflicts in your family over endless requests to buy things? How can you get your children interested in saving and giving rather than only spending?

You're the most important teacher of your children. The tools and activities we provide in this book will empower you and your kids—not just to survive, but to thrive financially!

After researching many books designed to help parents teach their kids about money, we noticed a common outline in all of them. They make the same points:

- Parents have to model good money management.
- Kids need character to manage money well, and parents must teach character.
- Parents must consciously teach their kids to save, give, and spend wisely.

We don't disagree with the above points, but most books fall short. They don't tell you *how* to teach your kids. They say you *should* teach your kids. If you're able to finish these books, you often feel frustrated and perhaps guilty that you haven't done more. If they do tell you how, such application is buried in a long narrative.

As we wrote this book, we tapped into what we know professionally and what we understand about modern family life. We understand it because we live in the same world you do.

First, we're aware of how busy you and your kids are. The pace of life has been hectic for decades. Recently, though, the busyness barometer has shattered records. As author Tim Kimmel has noted, the norm for most families is "Little House on the Freeway," not the tranquility of prairie life. Many everyday conversations start with "Oh, we're just so busy!" Instead of asking people how they are, many ask, "Are you keeping busy?"

Second, we know that parenting is tough. Ron and Judy raised five children to adulthood and now watch their seven grandchildren grow up. Jeremy and his wife, Sharon, are raising and homeschooling their two daughters in the Internet age. Nothing is more gut-wrenching yet purifying, more heart-breaking yet heart-building, more demanding yet satisfying than parenting.

Practically every social challenge debated today, from drug use among teens to lower test scores to obesity, leads people to conclude, "Well, it all comes down to the family," or "It's up to the parents." You have so much to teach your children.

Others are trying to teach your kids about money—advertisers on Saturday morning TV, bazaars on the Internet, moviemakers using "kids' meal" tie-in promotions, discount store toy aisles, credit card companies. They all know how to focus on your kids' hearts and minds. They all hope to hit the bull's-eye and end up with some of your child's piggy bank savings—and some of your wallet. Marketers know that kids influence the spending of billions of dollars.

You may not feel capable or qualified to teach your children

about money, but you can do it. Even though you may not have a degree in finance or accounting, or may not have balanced your checkbook in a few months, you *can* train your kids with meaningful activities. You may learn some new habits in the process, too.

We know. We've seen the key principles to financial success benefit the lives of many clients and their children. We've also seen how ignoring these principles brings financial heartaches for years to come. We've talked about them on the radio, at conferences, and on TV. We've written about them for years. These principles are straightforward and communicable.

Part I of the book is intended to provide you with the “why” of teaching, plus detailed information to equip you as a mentor. Part I will help make your methods more effective. For example, in Chapter 3, “Talking the Talk,” we discuss how using clichés may hinder your effectiveness as a teacher, what financial data should not be discussed with children at various ages, and how your language should include financial and business terminology.

Still, if you never read a chapter in Part I, you'll benefit from the activities in Part II.

The heart of this book, Part II, was inspired by our application of key financial principles with our children. Here we offer projects, games, incentives, and challenges (we'll refer to all of these as “activities”) to help you teach your kids financial wisdom.

Your family calendar probably doesn't have room for a dissertation about money management. So we designed the activities to be fun and engaging, enabling you to teach your children as you do the errands of life. You'll find activities that encourage the win-win experience of having fun with your kids and teaching them something, too.

You can pick the activities that will work best for your family. Every child is unique. No family is static; we're all moving through life. Instead of following our directions verbatim, adapt the activities for your family. Perhaps one of our plans will spark another idea, or you'll want to add a twist to our suggestion.

In Chapter 4 we've included our biggest and best idea. The envelope activity presented there efficiently teaches many of the skills necessary to become a money-smart kid. We've set it apart to discuss in more detail.

To help you with specific issues, we've provided "Here's My Challenge" in Part III. In a question-and-answer format we present real-life dilemmas, like one child taking financial advantage of another or grandparents giving too many gifts. Then we present a solution and the principles involved, referring back to an activity and sometimes suggesting a twist on it.

While we'd be grateful if you read the book cover to cover, we think you can best use it as a reference guide. Don't get bogged down in the many activities. Pull this book out when there's a character trait you want to emphasize, to obtain age-appropriate ideas, or to help with challenges you face.

Let's get started with why this job of teaching children about money falls to you.

PART I



# Equipping You





# Financial Pep Talk for Parents

## **From a Child's Perspective:**

Art Linkletter once asked a four-year-old boy, "What do you want to be when you grow up?"

"I don't want to be anything," the boy replied.

"Don't you want to get married?"

"If I have to."

"And how will you get money?"

"My wife can work."

"But suppose she won't?"

"I'll send for my mother."<sup>1</sup>

*What are some surefire ways to make a person fall in love  
with you?*

"Tell them that you own a whole bunch of candy stores."

—DEL, AGE 6

## **Biblical Principles:**

*He must manage his own family well and see that his children obey him with proper respect. (If anyone does not know how to manage his own family, how can he take care of God's church?)—1 TIMOTHY 3:4-5*

*Discipline your son, and he will give you peace; he will bring delight to your soul.*—PROVERBS 29:17



You're already on the right track.

By starting to read this book aimed at equipping parents to teach financial principles to their kids, you're acknowledging your role. Whether you like it or not, as a parent you realize you have some role in teaching your kids financial principles. Somehow, somewhere, in some way, you've sensed that raising money-smart kids is important.

Perhaps you want your kids to avoid some of the financial struggles you've experienced.

Perhaps you're tired of fighting the daily dollar battles with your kids. Your son expects you to spend big bucks on name-brand athletic shoes. Your daughter thinks she's entitled to designer clothes because "everyone else" has them. You're tired of your kids begging to order the most expensive item in the restaurant *plus* an appetizer and dessert.

Perhaps you realize that financial wisdom will help your child in so many areas of his or her future. A major factor in most divorces is poor financial management and the resulting stress. Many people are stuck in jobs they don't enjoy because they're trapped by their poor financial decisions. Many Christians aren't experiencing spiritual maturity and the joy of giving because they're "slave to the lender."

Perhaps you know you have some self-interest in this matter. A big motivation for parents is to avoid "boomerang kids." After enjoying an empty nest for a while, you don't want it to be filled again with 27-year-old birds who should be flying on their own. As our friend the late Larry Burkett said, "I wonder if parents would be more serious about teaching their kids financial principles if they realized their kids would be choosing and paying for their nursing home someday!"

The statistics show you're on the right track. The evidence is clear. Five powerful trends, supported by many studies and surveys, point toward the necessity of teaching the next generation the truth about financial principles. (Note: Unless otherwise stated, the following figures apply to the U.S.)

**Trend #1: Financial illiteracy is the norm among America's youth.**

- A Visa survey found that 49 percent of youth think they're more likely to become millionaires by starring in a reality TV series than by learning how to budget and save wisely.
- A *Consumer Reports* survey found 28 percent of students didn't know credit cards are a form of borrowing, and 40 percent didn't know that banks charge interest on loans.
- The National Center on Education and the Economy found that nearly two-thirds of American adults and students didn't know that in times of inflation, money loses its value.
- Between 1990 and 1999, there was a 51 percent increase in annual bankruptcy filings among adults 25 years of age and younger.

**Trend #2: Kids and teens have money and spending influence—and advertisers and credit card companies are coming after them.**

- MarketResearch.com reports that in 2003, teens spent \$175 billion, averaging \$103 per week. The so-called "tweens," 8-to-14-year-olds, spent \$39 billion in 2003.
- Younger kids directly influence the spending decisions on their behalf to the tune of \$117 billion.
- Marketers target children as young as 18 months.<sup>2</sup>
- By the time your kids reach 21, they'll have seen or heard an estimated 23 million advertising "impressions."<sup>3</sup>
- One consumer-marketing group reported that today's kids will have seen 360,000 30-second TV commercials by the time they're 20 years old.

- One-third of high school seniors use a credit card. Not surprisingly, seniors who used a credit card scored significantly lower on a national, personal finance literacy survey than seniors who didn't use a card.<sup>4</sup>
- More than three-fourths of college undergraduate students have credit cards; most have multiple cards with an average unpaid balance of \$2,748. Ninety-five percent of college graduate students have cards; each has an average of four cards with an average unpaid balance of \$4,776.

**Trend #3: Parents apparently presume someone else is teaching kids about money and finances.**

- Eighty percent of parents surveyed believed that schools provided classes on money management and budgeting.
- Only seven states require students to complete a course that includes personal finance before graduating from high school.<sup>5</sup> As a comparison, sex education is taught in 90 percent of public schools starting in fifth grade; it's a required course for 69 percent of schools.<sup>6</sup>
- Much of the limited curriculum available in schools is provided at no charge from various education coalitions. Usually the main funding sources of these coalitions are Visa, American Express, or other credit card companies (not exactly the most impartial source of wisdom).
- Pastors are frequently silent on the topics of money and stewardship.
- Very few evangelical churches have active stewardship discipleship courses for equipping young people to handle money from God's perspective.

**Trend #4: Whether parents like it or not—or even realize it—kids look to them for financial guidance.**

- The American Savings Education Council found that 94 percent of kids turn to their parents for financial information.

- Sixty-three percent of older teenagers, notorious for knowing it all and not listening to parents, say they get *most* of their information on money matters from their parents.<sup>7</sup>
- The Financial Educational Survey by Capital One found that more than 70 percent of parents say they have spoken with their teens about credit and using credit cards wisely; less than 44 percent of the teenage children of those respondents say their parents have talked to them about credit cards. Meanwhile, 54 percent of parents rate their teenagers' knowledge about managing money as "good" or "excellent," while an overwhelming 78 percent of the teenage children of those respondents rated their knowledge as merely average or even poor.
- The Jump\$tart Coalition survey found that only 26 percent of 13- to 21-year-olds reported that their parents actively taught them how to manage money.

**Trend #5: Financial support to churches and ministries is tenuous at present—and likely to be even weaker in the future.**

- One study estimated that most church giving comes from people over age 55.
- Barna Research Group found the following in its 2003 survey of giving in churches: The mean amount of money donated to churches and other worship centers in 2003 was \$824. This is less than the inflation-adjusted amount for 2000. The segments that were *least likely* to tithe included adults under 35 and those from households with a gross income of \$40,000 to \$59,999.
- Howard Dayton, CEO of Crown Financial Ministries, has stated that many pastors have told him most of their giving comes from members over 65. They estimate that it takes five people under age 35 to replace one senior's giving.

The evidence is clear: Kids need financial training, and they need it from you.

We know you have urgent tasks on your to-do list: chauffeuring your kids to the next music lesson, attending their next ball game, trying to get them to do their homework, and prying them off the Internet. Such is the tyranny of the urgent in modern life. The ringing phone and the broken garage door opener tug us away from the truly important, eternal issues like daily prayer time and nurturing our children. Our aim in this book is to help you complete the truly important task of equipping your children to do well in an area crucial to success—wise money management.

How do you teach your kids to master their money? How can they be generous givers, sharp shoppers, savvy savers, prudent planners, intelligent investors, and willing workers?

Kids learn about money from you as parents and from their own experiences. Notice that we didn't say they learn much at school. How ironic that they go to school to learn how to be successful in life, but don't learn how to manage money wisely! In fact, the mere act of going to advanced schooling may result in huge student loan debts.

When your kids learn from you, you're either teaching intentionally or inadvertently—the latter through the habits they observe. Teaching intentionally is better. You do that by sharing truths “as you go” or by creating experiences that help kids learn. Let's look at these methods a bit more closely.

### As You Go

An efficient approach to help your kids become financially mature is to teach them “as you go.” The lecture method rarely works at home, anyway. Parents think they make good speeches, but kids don't agree.

You may think that we authors are financial nerds who'd enjoy sitting down on a Saturday night for two hours and discussing with

our children the benefits of budgeting. We wouldn't. We can assure you that our kids wouldn't enjoy such a session, either.

God recognized that the Israelites best taught their children as they "went along." The basis for this method is found in Deuteronomy 6:4-9:

*Hear, O Israel: the LORD our God, the LORD is one. Love the LORD your God with all your heart and with all your soul and with all your strength. These commandments that I give you today are to be upon your hearts. Impress them on your children. Talk about them when you sit at home and when you walk along the road, when you lie down and when you get up. Tie them as symbols on your hands and bind them on your foreheads. Write them on the doorframes of your houses and on your gates.*

The instruction was to parents. Parents should impress upon their children the commandments and truths of God as they go along. If we were to reword these verses in a more modern translation, we might say the following:

*Talk about them when you sit at the dinner table and at family devotions and when you drive along the highway, when you are tucking them in at night and when you are at the breakfast table and driving them to school. Write them as Post-it notes on your mirrors and pin them to the corkboards in your kitchen.*

Many of the activities we've included in this book can be taught as you go. For example, the "Advertising Detectives" game can be played as you're watching a ball game on TV or as you're driving down the road and seeing billboards. The financial board games can be played during the family time you were planning to have anyway. Use some "Sharp Shopper" activities when you're at the store with your kids.

Jesus continually taught His disciples as they went along. In the middle of a field, in the temple, or at sea in a boat, He used events to teach them. Look at the following excerpts from the Gospels. These are just a few examples of many teachings introduced by the phrases “As they went along” or “During everyday happenings.”

*As they were walking along the road, a man said to him . . .*

*(Luke 9:57)*

*As Jesus and his disciples were on their way, he came to a village where a woman named Martha opened her home to him.*

*(Luke 10:38)*

*One day Jesus was praying in a certain place. When he finished, one of his disciples said to him, “Lord, teach us to pray, just as John taught his disciples.”* (Luke 11:1)

*Then Jesus went through the towns and villages, teaching as he made his way to Jerusalem.* (Luke 13:22)

*Now on his way to Jerusalem, Jesus traveled along the border between Samaria and Galilee. As he was going into a village, ten men who had leprosy met him.* (Luke 17:11-12)

*As Jesus approached Jericho, a blind man was sitting by the roadside begging.* (Luke 18:35)

*As he looked up, Jesus saw the rich putting their gifts into the temple treasury. He also saw a poor widow. . . .* (Luke 21:1-2)

*Some of his disciples were remarking about how the temple was adorned with beautiful stones and with gifts dedicated to God. But Jesus said . . .* (Luke 21:5)

These are just a few of the many times Jesus took advantage of teachable moments. He even used arguing and bickering among the disciples: *“An argument started among the disciples as to which of them would be the greatest. Jesus, knowing their thoughts, took a little child and had him stand beside him”* (Luke 9:46-47).

On another occasion, *“a dispute arose among them as to which of*

*them was considered to be greatest*" (Luke 22:24). Jesus overheard His disciples and used that moment to instruct them.

Maybe your kids never bicker. But if they do, follow Christ's example and use their quarreling as an opportunity to teach. Learning occurs when the pupil is willing and can relate to what the teacher is offering *then*. This is especially true when teaching children. Children are best taught as you go—as you go to the bank, as you go on vacation, as you go to church, as you go to the grocery, as you're buying gas. We don't want you to miss those great teachable moments.

We heard a story from a client who wondered why one child always lingered behind when the family was leaving restaurants on vacation. When confronted, the child produced a pocketful of change and dollar bills. He'd thought his parents were carelessly leaving money behind, and he was going to collect it!

Now *there* was a teachable moment.

You don't have to wait for your child to grab a gratuity, though, to deliver a lesson on the subject. As you're leaving a tip, explain how a waitress earns her money. Explain how it's customary for patrons of sit-down restaurants to leave a percentage.

The same is true when other opportunities present themselves. As you drive through a tollbooth, explain how users pay for certain roads or bridges. As you renew your license plate tags, explain special use taxes.

If you try to teach your children financial principles by sitting them down and saying, "Now you're going to learn how to buy a shirt wisely," you won't succeed. The best way to learn about money is to have experiences with it—in this case, to buy a shirt and to hear your feedback.

To teach your children "as you go" requires that you listen to them. When we say "listen," we don't mean only to hear their words. Listen to the meanings and feelings behind the words. What are they really saying? Why are they saying it? How can you best respond in word pictures or examples they can understand?

This type of listening means you're tuned into them, not into what's going on at work or what's on the calendar for tonight or tomorrow. It means being where they are mentally as well as physically.

Without this active listening, we'll miss the most teachable moments. We each confess that in our homes, our wives are the better listeners and teachers. It requires a constant choice on our part to listen to what our kids are really saying. We find that when we do, we're able to teach in the daily course of life. Very seldom in such instances have we set out to teach something on purpose. It's just happened "as we go."

### Creating Teachable Times

To provide other learning opportunities, you can arrange situations, set up games, or create "test labs" before your kids wade into the "real world." To teach a 14-year-old daughter about the stock market, for example, we recommend an activity using a simulation of choosing stocks and tracking them on paper (see Chapter 10). This will provide some learning before she plunks down \$500 of her babysitting money.

To help your children appreciate their standard of living compared to the rest of the world, meanwhile, we have an activity called "Candy, Dolls, Army Men, and Proportions" (see Chapter 6).

Learning experiences take a bit of effort, but they're worth it. It isn't necessary to learn every lesson the hard way. If you can create experiences, mentor your kids through them, and evaluate the results, your children will be better prepared to handle real-life situations on their own.

If we look at how Jesus trained His disciples, we can learn four principles for training children in all areas, including money management.

1. *They must experience what is being taught.*
2. *They must have an opportunity to fail.*

3. *They must have feedback.*

4. *They must have rewards.*

The activities in this book that you choose to adapt to your family will reinforce some or all of these principles. The process is like teaching a skill such as waterskiing.

All five of our (Blue family) children have learned to water ski. Waterskiing appears to be a fairly simple physical activity, and it's easy to explain how you learn to get up on those narrow slats. You merely keep your weight behind the skis and let the boat pull you out of the water. You *must* let the boat do all the work.

#### **They must experience what is being taught**

Waterskiing may be easy to explain, but it took us hours and hours of attempts before our children could get up on the water. After they learned to get up, however, the second time was easy—and the third was even easier. Only then did the sport become their own. Money management is the same way.

It's easy to tell your children that they should tithe, save, and spend wisely. But until they experience the joy of tithing, the rewards of having saved for a major purchase, and the thrill of seeing how much money they've saved by being smart shoppers, telling them means nothing. The training process must give them an opportunity to experience what you're attempting to teach them. Only by allowing your children to experience what you're telling them will the principle and practice become theirs. It's at this point that training has occurred.

#### **They must have an opportunity to fail**

If we hadn't given our children the freedom to fail while learning to ski, they wouldn't have tried. Your kids will fail at times—just as ours have. Just as you have.

Failure is a part of life and learning. The issue is not whether children will fail, but how they'll respond to failure. The best time

for them to fail is while they're young, and parents are available to counsel them.

Probably the biggest mistake parents make in training children to manage money is not giving them the freedom to fail. Parents either make decisions for them or are so critical of their decisions that children quickly learn not to risk anything on their own.

### **They must have feedback**

Waterskiing provides clear feedback: If you stay up, you succeeded. If your posterior remains underwater or you get up briefly only to greet the water face-first, you know you have more skills to learn.

Similarly, as you use experiences to teach your children financial principles, they'll need your verbal feedback or other means of letting them know how they're doing.

### **They must have rewards**

You can leverage your kids' learning by offering monetary rewards or privilege incentives based on their achievement.

Jesus used the promise of rewards—and warnings of lost rewards—to motivate His disciples as well as today's believers. Rewards are biblical, they're motivational, and they provide a source of feedback.

We've given many types of rewards to our children through the years. The simplest approach is merely giving them a star for a particular behavior, such as cleaning their room; we had a chart on the refrigerator that was used just for this purpose.

Praise, given privately or in front of the rest of the family, is another type of reward. So is individual time with a parent. An occasional treat or privilege can also be used.

Money has also been a reward. We're cautious about this, though, because it can easily become a form of bribery—a convenient way to manipulate a child for our own benefit. Still, we've used it when it seemed like a good way to encourage a child to choose to do the right thing.

One of those times came when our (the Blues) second daughter, Denise, decided to take up basketball as a junior in high school. That year she set a school rebounding record, but her shooting percentage was very low. The summer before her senior year I (Ron) challenged her to shoot 50 shots a day. I promised a monetary reward at the end of the summer for the number of shots taken. This seemed a good way to motivate her and to teach her the benefits of self-discipline. She completed the shots for the summer and received the reward.

During her senior year, she was second on the team in free throw percentage. During a crucial game, she was called upon to shoot a technical foul. At that point in the season, she had the highest free throw percentage on the team. She made the pressure-filled shot! Because she'd worked hard, she was able to achieve a new level of performance. She was really doubly rewarded.

In addition to offering rewards, consider withholding them as a motivational tool. One of the training techniques we've used is giving the reward ahead of time—and taking it away if the desired behavior is not followed.

For example, we (the Blues) were having trouble with the children being critical of one another, especially at dinnertime. After giving the matter some thought, we handed each of them a jar containing \$10 in quarters. We told them that for the next 30 days, any time we heard a criticism we would remove a quarter from the jar of the child who made the remark, without exception. We made it clear that they could have the quarters remaining at the end of that period. It didn't take more than two days for the criticism to stop!

We believe that was much more effective than if we'd said, "If you don't criticize, we'll give you \$10 at the end of a month." Again, we used a reward as a motivator and a form of feedback rather than as a bribe.

How would you prefer your kids develop their financial skills, form their beliefs about money, and plan their future: from your intentional methods or from advertisements? Wouldn't you prefer

to create teachable experiences with their own money instead of having them make decisions based on keeping up with their peers?

Your children will need to know much more than you ever did to survive and thrive financially. Think of the changes in the brief time since you were a kid: new ways of shopping via the Internet; new ways of saving for college through Education Savings Accounts, 529 plans, and prepaid tuition plans; debit cards and the decline in use of cash; credit card companies acting more aggressively in pursuing new and younger customers; the increased sophistication of advertisers; spam e-mail.

Alan Greenspan, former chairman of the Federal Reserve Bank, agreed: "Today's financial world is highly complex when compared with that of a generation ago. . . . Children and teenagers should begin learning basic financial skills as early as possible. Indeed, improving basic financial education can help prevent students from making poor decisions later, when they are young adults, that can take years to overcome."<sup>8</sup>

Even if you're on the right track, you'll still be run over if you just sit there. Getting moving with the activities in this book will help you and your family make sense of dollars and cents!

### Your Reward as a Parent

Is the effort of teaching your children about money worth it? Don't just look at the cost—look at the benefits. We can think of four rewards for training children to be good stewards.

First of all, you can expect to stand before the Lord someday and hear His blessing, "Well done." Ultimately, your kids are responsible for the choices they make as adults. But if you've trained them to act as responsible and godly grown-ups, you can expect to hear Him say, "*Well done, good and faithful servant! You have been faithful with a few things; I will put you in charge of many things. Come and share your master's happiness*" (Matthew 25:21).

Second, you can expect your children to be good stewards of the resources God has entrusted to them. You can also expect to see them train their own children to manage financial resources in a godly, responsible manner.

We don't sense conflict among our (the Blues) kids regarding money. They all get along—despite 11 years difference between the oldest and youngest. They have all married spouses with a shared financial value system.

Those of us who've trained children and watched them go into the world have no greater reward than seeing them make wise decisions. The Blue children are not perfect, and we don't wish to put them or their financial positions on a pedestal. Many times we say to ourselves, "What happened? How did they learn to do that?" What a thrill it is to see children making good decisions! We simply use them as motivation and encouragement for you.

Third, we believe that when you enter this training process, you can expect to eliminate most of the conflict with children over money. That alone is sufficient reward for many parents to make the commitment. Shopping at Wal-Mart or stopping at the corner convenience store should not be a battle with your kids.

Fourth, you can expect to see your children, even in their pre-teen years, begin to make sound financial decisions. Good decisions about what clothes to wear, how to spend extra money, tithing, saving, and planning for the future are reasonable expectations when children have been trained in the way they should go. I (Jeremy) am thrilled to see my daughters prepare their offering each Sunday morning on their own and drop it in the plate cheerfully.

At no time are individuals more moldable than in childhood. Children generally want to learn what parents would have them learn. Sure, they may act stubborn or rebellious at times, but most are teachable. After they experience the rewards of self-discipline and wisdom, they'll gradually seek to make good decisions more often.

Parenting will challenge and stretch you beyond your limitations. But God is willing and able to supply all your needs.

Memorize and apply daily James 1:5, which states, *“If any of you lacks wisdom, he should ask God, who gives generously to all without finding fault, and it will be given to him.”*

We don’t have all the answers, but we know the Source who does. God is not only growing our children up, but He is growing us up as well. Each of us must ask continually what God would have us learn.

As you begin the great adventure of training your children to manage money, remember that God will guard and keep what you’ve committed to Him. Children are children, and mistakes tend to be the same from one generation to the next. God is far more able to meet our children’s needs than we are, and far more concerned about the training responsibility than we are. He will provide us with what we need, when we need it, to train up His children in His ways.

This commitment to instruct may cost you some time, effort, and maybe a little money. But the costs are nothing compared to the prize. As we heard our late colleague and friend, Larry Burkett, say, “The investment of time in teaching biblical financial principles to the young generation will pay dividends for an eternity.”

You and your kids can triumph against materialism and consumerism. You can discover a system that empowers you and your children to master your money God’s way. Remember the success adage: Triumph is just “umph” added to “try.”

Commit by faith to pay the price to train your children in the way they should go. When they get old, they won’t depart from it. And you will rejoice as you see them *“live a life worthy of the Lord and . . . please him in every way”* (Colossians 1:10).

## Summary of Activities

Trait	Activity Name	Page	Teaching Goals	Age Range
<b>Generous Giver</b>	Charity Gifts for Birthday Parties	96	Reducing dependency on material gifts for happiness; encouraging others to give; teaching leverage in giving; allowing children to directly give to a charity or ministry	8-14
	Head Up a Giving Foundation	98	Allowing kids to decide a portion of the family's giving budget; experiencing the joy of giving more substantial amounts; practicing the decision-making process	6-18
	Candy, Dolls, Army Men, and Proportions	101	Illustrating the prosperity and relative material advantage your children may enjoy; increasing appreciation for blessings; motivating sharing and giving out of abundance	4-12
	The Blessing List: an Anti-Envy Tool	104	Counting blessings; not taking blessings for granted; defending against envy and coveting	6-18

Trait	Activity Name	Page	Teaching Goals	Age Range
<b>Generous Giver</b>	Plan a Family Mission Project	107	Giving time and service in addition to money; seeing and meeting people in less fortunate circumstances; appreciating blessings	8-18
	Matching Gift Program	110	Leveraging money to support important causes; giving intentionally; tracking gifts given	8-18
	Read Books, Watch Videos about Giving	112	Inspiring kids toward generous giving and philanthropy	Various
<b>Sharp Shopper</b>	Currency Exchange	118	Appreciating the value of a dollar; understanding relative value by converting the cost of items into work units or allowance units	8-18
	Buying Consultant	120	Allowing children to express the wisdom they've gained about making purchases; holding them accountable to their own advice	8-16

# Notes

## Chapter 1

1. Bill Cosby, *Kids Say the Darndest Things* (New York: Bantam Books, 1998), p. 59.
2. Money Savvy Generation Web site at [www.msgen.com](http://www.msgen.com).
3. *Money* magazine, September 2004.
4. Lewis Mandelle, Ph.D., conducted the 2004 annual study by Jump\$tart Coalition titled "Financial Literacy: Are We Improving?" surveying 4,000 high school seniors in 350 schools.
5. National Council on Economic Education, "Survey of the States: Economic and Personal Finance Education in Our Nation's Schools in 2004: A Report Card," March 2005, p. 3.
6. "Sex Education in America: Principals Survey," January 2004. Study jointly completed by Harvard University, Kaiser Family Foundation, and National Public Radio.
7. National Consumers League, March/April 2002 NCL Bulletin, [www.nclnet.org](http://www.nclnet.org).
8. Remarks by Chairman Alan Greenspan at the 33rd Annual Legislative Conference of the Congressional Black Caucus, Washington, D.C., September 26, 2003.

## Chapter 2

1. [www.thevandels.com/kidsay.html](http://www.thevandels.com/kidsay.html).
2. Robert Frick, Ph.D., "The Jukes-Edwards Story: Truth and Myth of Max Jukes," found at [www.rfrick.info/jukes.htm](http://www.rfrick.info/jukes.htm). The study of "Max Juke" was conducted by Richard Dugdale; the report on Jonathan Edwards was prepared by A.E. Winship.

## Glossary

**Allowance** – A specific amount of money a parent gives a child regularly as a benefit of being a family member.

**Appreciation** – An increase in fair market value of an asset.

**Assets** – Everything a person owns, including cash, investments, business, land, and house. It includes physical, tangible assets as well as intangible assets.

**Balance sheet** – A condensed financial statement showing the amount and nature of an individual’s assets and liabilities at a given time. A “snapshot” of what a person owns and what he owes. Sometimes referred to as a net worth statement.

**Bank** – An institution where money may be safely kept and which lends money and provides other financial services.

**Beneficiary** – One who is designated to receive a benefit; for example, the person who would receive the proceeds of a life insurance settlement.

**Bond** – A promise of a corporation, municipality, government, church, etc., to pay interest at a stated rate and repay face value of a certificate. It is a loan from you to the organization to mature at a specified date.

**Budget** – A plan or guideline for spending.

**Check** – A written order to a bank to pay a specified amount of money to a specific person or company from money on deposit with the bank.

**Chore** – A routine task performed around the home.

**Credit** – Money loaned, usually for a fee, that must be paid back later.

**Credit card** – A plastic device that allows people to borrow and make purchases which are paid for over a period of time.

**Debit card** – A plastic device that allows retailers to draw funds directly from a consumer’s bank account in order to make purchases.

“Ron and Judy Blue and Jeremy White are the ‘go to’ people for sound, Bible-based financial advice. *Your Kids Can Master Their Money* is a hands-on, real-world application of spiritual truths for every family. If you have kids you MUST read this book. It is fun, easy, and will disturb you to action with your kids. Great job!”

—DAVE RAMSEY

*New York Times* bestselling author  
and nationally syndicated radio host

“I absolutely love *Your Kids Can Master Their Money*! This is my kind of book—I know *what* I’m supposed to be doing, I need someone to show me *how*. The combination of authors, Blue and White, have written a resource that is a perfect blend of philosophy and practicality.”

—LISA WHELCHER

Bestselling author of *Creative Correction*, *The Facts of Life and Other Lessons My Father Taught Me*,  
and *Taking Care of the ‘Me’ in Mommy*

“The tips in this exciting, new book are fun and doable, while the financial advice is as rock-solid as ever. The result of melding this book’s advice with its fun activities is a positive, eternal payback for our kids. If the number one reason for divorce is “arguments over money,” then the single best thing we can do for our kids’ futures is to help them master their money; *Your Kids Can Master Their Money* shows us how.”

—ELLIE KAY

America’s Family Financial Expert™, national  
radio commentator with *Money Matters*,  
and bestselling author of eight books

“Biblically sound and fun to read, this book is for parents who want to teach money management skills to their kids and won’t mind learning a little something along the way for themselves, too.”

—MARY HUNT

Author of *Debt-Proof Your Kids*

“Ron Blue gets to the heart of financial issues in simple ways that children can understand. This book will be very beneficial to parents as they work to teach their children integrity in their financial futures.”

—SALLY CLARKSON

Whole Heart Ministries