



The key to your child's financial education is creating opportunities for learning and experiential involvement. (UBS)

Own Your Worth

Podcast: How to teach your children about finances

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With a majority of children in the US at home due to school closures, parents find themselves taking on the role of teacher. But, there is one important lesson missing from the curriculum: financial education. Discussing finances with your kids can help them grow into financially responsible adults. The first episode of the UBS Own Your Worth podcast series discusses why it's important to teach financial education early and how to get started.

As part of the Own Your Worth research, UBS surveyed thousands of women and found that those who grew up in households where money was discussed were more likely to be involved in financial decisions as adults. "Financial education is an important life skill you can help your child develop," said Carey Shuffman, Head of the UBS Women's Strategic Client Segment and host of the Own Your Worth podcast series. She was joined by Sarah Salomon, Senior Strategist, Family Advisory & Philanthropy Services at UBS, to discuss ways parents can engage their children on key financial lessons, like saving, spending, budgeting, borrowing, and giving.

While lessons include math, science, and English, many schools leave financial education out of their curriculums. Said Salomon, "Financial education and learning are lifelong undertakings, and early adulthood is when people begin to focus their choices about spending money and

time, and those choices are a reflection of their personal values. It's best to start early and think about it often."

Salomon believes the key is to create opportunities for learning and experiential involvement. Parents can begin by talking about spending, saving, giving, investing, and planning. Then, as children grow older, they can begin developing those skills by setting goals and working toward them. She shared steps you can take to prepare your children for financial responsibility from a young age.

1: Hold family meetings. Start by discussing foundational information and talk about your individual and shared family values. The conversations shouldn't be exclusively about money.

2: Begin when your kids are young, such as ages 5 to 8 years old. We emphasize using money as a teaching tool for values. Giving children a regular allowance is one way to

teach this concept. Focus on understanding the importance of giving and gratitude, and even taking small actions, like writing thank you notes.

3: When children are in middle school, they can begin to learn the value of a dollar and having an intrinsic work ethic. This can be done by teaching them about budgeting, how much things cost, how much money they should save for something they want, and how long it may take. It's also important to focus on the enjoyment factor. At this age, kids can begin to balance what something costs with how much they will use it. Said Salomon, "It starts with learning personal finance, making money choices, and sometimes failing and learning from those failures."

4: As your kids get older and enter high school or college, financial education becomes more about budgeting for today and the future and then learning about social responsibility. They may take the initiative to volunteer or develop philanthropic values. This is the stage when families begin work on family mission statements and young adults can be a part of that process. Then, the conversations can center around wealth management and fundamentals, like stocks and bonds.

To learn more, listen to the [Own Your Worth podcast: Teaching children about finance](#).

Take the [financial participation quiz](#) to learn your personal money language.

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