

PARENTING FINANCIALLY-MINDED CHILDREN



Basic Economic Concepts
Children Need To Know



3-7 years

Little Ones

- Everyone needs money to buy things
- You get money by going to work and working hard
- You have to save money to buy some things
- There is a difference between wanting and needing
- Sharing



8-14 years

Budding Teenagers

- Opportunity cost
- How credit cards, loans, and debt work (basics)
- Advanced saving and interest
- Give back a 10th
- Security of funds and accounts
- Effort over success



15+ years

Teens & Young Adults

- Taxes
- Credit cards
- Debt load
- What college costs
- Retirement
- Diversification

PARENTING



FINANCIALLY-MINDED

CHILDREN

Basic Economic Concepts
Children Need To Know

Rules of teaching your kids about money and finance

Rule #1 – Be open and honest about money

Rule #2 – Have expectations for your kids

Rule #3 – Always keep effort top over failure

Rule #4 – Teach the math

Definitions you need to know

Success – the accomplishment of an aim or purpose

Opportunity Cost – the loss of potential gain from other alternatives when one alternative is chosen

Pygmalion Effect – what one person expects of another can come to serve as a self-fulfilling prophecy

Return on Investment Mortgage – (current value – (purchase price + interest)) / (purchase price + interest)

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