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The Money World of Your Pre-Schooler
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Alice Mae Alexander, University of Missouri
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**THE
MONEY
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of your
PRE-
SCHOOLER**

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Were you surprised when you suddenly realized your own little pre-schooler had learned that this is a "money world"?

It doesn't take long, does it, for a child to know what money can do? He will be eight to ten years old before he has much understanding of money but as a pre-schooler he knows it gets him things and does things for him. A small, hard, round thing given to another person can get an ice cream cone, a balloon, a ride on a pony, a little toy, or maybe a gift for someone. Or that same small, hard, round thing is placed in the collection basket at Sunday School. He has a feeling about this he hasn't experienced before. He finds it pleasant, and he wonders why. Or, did you notice how important he felt when you let him pay the paper boy? And, did you see the look of satisfaction when he jingled those pennies in his pocket—it was music to his ears. He had no intention of spending them—actual buying didn't interest him just then. He was satisfied just to have them. Your little one probably doesn't know the difference between coins—a penny may mean as much as a dime. He only knows it is money and that money is important.

Problem May Be Opposite

You know that money is important, too. You know that a great deal of your child's future happi-

This publication (one of a series) is intended to help you as a parent to understand the place of money in your child's life. Since each family is different, you will have to adapt the information to fit your own situation and your financial circumstances.

Your child will be better equipped to solve many of the complex problems of his adult life if you have provided training in establishing sound financial habits.

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ness and success will depend on wise management of money and on his emotional attitude toward money.

It hardly seems necessary to emphasize this obvious fact. Perhaps a more important responsibility for parents is the lessening of the child's concern with money and the heightening of his appreciation of ideas and accomplishments.

Today, with so much stress being placed on acquiring and using money, you may find it difficult to change the pattern. But many parents are reversing the general trend and are de-emphasizing the importance of acquiring lots of money and are substituting other values in its place. However, this publication is primarily concerned with money management.

Long before your child is ready to have money of his own, he can begin to learn a few important principles and attitudes that will help him manage his money well when he grows up. Remember your pre-schooler is reaching out for knowledge, he is experimenting, he is imitating what he sees grown-ups do, and he is practicing. All of this means he is learning. It will take several years for your child to understand our complicated economic system—but it's an important lesson to learn. And, home is the best place to start to learn it.

BY ALICE MAE ALEXANDER

Cooperative Extension Service,
University of Missouri

Money Does Things TO Us

Whether we like it or not, money does things *to* us as well as *for* us. Money affects our personal relationships, our standard of living, our ambitions. It influences our attitudes. It affects the total living pattern of a family. Because of these things, it is important that children have an understanding of the place of money in our lives—not to over-value or under-value it.

How do you feel about money? What do you remember from your childhood about family finances and how they were handled? How did this affect you? Attitudes, ideas, and actions are passed on from parent to child, generation to generation. This is done unconsciously for the most part.

It is often difficult to change long-time habits, attitudes, and feelings. But attempting to understand them gives a broader vision. Money is a *means*, not an end. It is a vital means, though *not the only one*. a family has or can use to gain satisfactions. If you show this by your everyday living, if you constantly work at being a good money manager, your child is fortunate. He should gain positive attitudes toward money. Your job is to provide guidance and as opportunity to learn. A small child learns more from actions, tone of voice, atmosphere, than he does from words.





Leslie is too young to understand an allowance but occasional spending money gives her experience with a few pennies and a nickel or dime for a simple purchase.



Leslie's mother sometimes lets her pay for one item at the store so she learns money will buy things she wants.

Can't Start Too Early

Managing money is big business. Education for such big business cannot start too early. You hope you are rearing your child to become capable of earning a good living. You hope he will live a satisfying life. Sound money management can contribute to the attainment of these goals. Each age and stage of your child's development takes insight, understanding, and a willingness to let him have experiences that foster the formation of good money management practices.

Without doubt, one of the most distressing problems in dealing with children is to find it necessary to deny them something which they want. People enjoy gratifying a child's desires and tend to do so whenever possible. Yet no gift can exceed the benefit which a child receives from learning to manage money intelligently.

Even very small children can think up many ways to get money or things money can buy. They beg. They "work" one parent against another. They

embarrass you in front of friends. They often "pick up" things in a store or fruit stand or they may imitate what mother did as she loaded the cart! Seeing something they want, they devise some way to get it.

Wise parents recognize why the child wants money even if he doesn't understand its value. Their objective then becomes twofold: (1) To maintain a mutually satisfying money relationship with the child; (2) To help him learn how to use money wisely.

All Money Same to Child

Are you ready to start with your own preschooler? Remember that from a child's viewpoint, all money has the same value. It is something to use that his mother spends at the store. *It buys things. It gets things.* At three or four, your child usually won't be interested in allowances nor able to comprehend unless his brothers and sisters are receiving them. If this is the case, you can work out a system



Though too young to understand about thrift she is learning some of its principles by hanging up her clothes and taking care of her things.

of small payments for him two or three times a week. Just as starting to school is something a child knows will happen when he is old enough, so an allowance which he must manage himself can be something for him to anticipate.

Let's assume, however, that you are starting his "money exchanging" experiences by giving him coins occasionally. Take him shopping with you. Let him engage in some simple choice-making. This could involve a few pennies, a nickel or dime. Look together at two or three small items and let the child make the FINAL choice. Let him give the sales clerk the money.

You may think it is "just play" when your three-year-old asks to hand the grocer the money for a jar of peanut butter. But this direct human contact between child and seller, including the latter's smile and "thank you", the actual physical exchange of coin for something he enjoys eating, is the most effective way of learning that *money buys things*. (Note—this transaction was for one com-

modity. A small child would be overwhelmed by the usual market order!)

Rewards for Patience

It may require a moment longer to let the youngster take part, but if you give him an opportunity to put the nickel in the parking meter or buy the stamp and place the letter in the mail chute, your child will learn that *money buys services*. Naturally, you choose appropriate times to do these things. Consider other people's time and responsibilities as well as your own.

One child may enjoy giving or sharing his money while another may not wish to part with his pennies. Attachment to money as money may prompt unwillingness to contribute to the Sunday School collection or even for a desired toy. Most preschoolers can see little reason to put money in a piggy bank. Saving money means nothing to a child at this age. Rely on your ability to help him set goals that promote the development of habits of thrift.



Pre-schoolers experience lending, borrowing, and sharing. Though they are too young to understand money application to these acts, they are developing attitudes toward the underlying principles.

You can teach *thrift* without introducing the idea of a savings account or a piggy bank. Teach him to take care of his things, to hang up his clothes, to put away his toys, to handle books carefully so they don't get torn. You won't tell your child that he is practicing thrift, of course. It wouldn't mean a thing to him. But that's actually what he is learning when he watches you mend a broken toy instead of throwing it away and buying a new one. When he has to go without a ball for awhile because he lost the one you gave him, he's learning a valuable lesson. Thrift is more than putting cash in the bank, it is conserving the things you own, so they last longer.

Help Them Learn from Borrowing

Your pre-schooler practices *lending* and *borrowing* all the time—not with money, but with things. The principle is the same. Help your child learn from experience that when he borrows sister's book, he must return it promptly.

The three- or four-year-old will find *earning money* an interesting but difficult thing to understand. Perhaps one of the easiest ways to start teaching

this principle is to explain why one or both of his parents work outside the home. Very early in life your child accepts the fact that you go to work every day. No doubt, he has questioned you about where you go and what you do. Tell him as much as you think he understands. Tell him that you work so that he and other family members can have the house, food, and clothes they need. If you work in a place where children are welcome, take him to visit and explain in very simple terms what you do.

Young children can learn to work too, and they're eager to be given a chance. Give your three-year-old a good demonstration and she can dry the silverware and store it properly. Observe how proud she is when you praise her for a job well done. You can think of numerous things suitable for your child's abilities.

Don't Pay for Small Chores

Vary the work from time to time, and don't insist that he work too long. But try to be sure what he does is done as well as his age and ability permit. And praise him when he is doing a good job. Don't pay him for doing these little chores. Let him



It's time to learn to do some small chores—without pay. At left, Leslie is assuming responsibility in the family and experiencing satisfaction. Right—Sharing with others is another important money lesson.



know he is assuming his responsibility in the family. If you make work a joint venture that gives your child a feeling of accomplishment and importance in the family, you'll be giving him the best start toward becoming a responsible earner when he grows up.

If brothers and sisters are earning money and your pre-schooler persists in wanting to earn, work out some small projects that are in line with his capabilities.

Are you attempting to train your child to appreciate sharing? You can demonstrate to him that money can provide satisfactions beyond those of spending, saving, and earning. You can help him to learn to share and to enjoy sharing with his family, with his friends, and even with those he does not know. As an example encourage him to exchange books or puzzles, etc.

Teach Sharing, Too

When he has a dime to use as he wishes, occasionally suggest he spend it for something he can share with you or other members of the family or

with his little friend. Be genuinely grateful when he wants to share with you.

Your child may receive money as gifts for birthday, Christmas, and for other special events. Make him understand that he should not count on gift money or expect it. Have you been embarrassed by your little one asking someone for money? You don't want your child to feel that his favorite Aunt Mary or anyone else is obligated to give regularly to him.

Before a child is ready to handle money on his own, he must understand simple numbers and be able to distinguish a penny from a nickel or dime. Let him pick out the number of apples needed for a group, the number of clothes pins needed to hang up his socks, the number of napkins needed for the table; get him involved in other similar activities that will give him experience in using numbers. Talk to him about things you are doing, using number words whenever you can. When he knows the numbers up to ten, you can introduce him to coins by letting him handle the money when you buy small items. Teach him numerical value and group-



How many clothes pins go with how many socks? Such problems help Leslie learn simple numbers before handling money.

ing of coins—three pennies and two pennies make five—the value of a nickel.

When he's familiar with small coins, he's ready to have some money of his own—probably by the time he is five or six years old, perhaps even earlier.

Freedom of Choice Important

When your small child spends, he needs some freedom of choice. Gradually he will be able to decide whether to have an ice cream cone or a small toy for his dime, or whether he wants to save it toward something that costs a quarter. When he has decided, give him a chance to spend his money with-

out adult interference. Be sure once he has spent his money he does not persuade you into giving him more if he is not satisfied with his choice. It is important that he learn to get the most satisfaction out of limited resources, by evaluating his decisions carefully.

Regardless of your efforts or the plan you follow, you will find that there is no standard recipe for success. There are not two children who will use their money in the same manner nor will they have the same attitudes regarding money. Each child must be handled as an individual.

You Are On Your Own

As you pursue your line of action, re-examine your purpose for teaching your child money management. Is it to guide him in handling money wisely by weighing values so he can make intelligent choices? Remember these choices will be as different as the number of personalities involved.

Your child needs your assistance. Are you prepared to give it?

THE MONEY WORLD SERIES

The Money World of Your Pre-Schooler
(3 to 5 years)

The Money World of Your Young Student
(6 to 9 years)

The Money World of Your Pre-Teen
(10 to 12 years)

The Money World of Your Teen-Ager
(Jr. High School)

The Money World of Your Young Modern
(Sr. High School)

The Money World as Seen by a Pre-Teen

The Money World as Seen by a Teen-Ager

The Money World as Seen by a Young Modern