The Money World of Your Pre-Teen-Ager

For Parents

Archive document

C818 Nov., 1964
University of Missouri
Cooperative Extension Service
The Money World of Your Pre-Teen-Ager

Are you satisfied with the way your pre-teen-ager is handling money? Are you pleased with his (or her) attitudes regarding money? Has he exhibited traits that indicate he values money as a means rather than an end? Does he have a true appreciation for what is important—in other ways as well as in money matters?

You are, of course, concerned about his values in general, but this publication will deal primarily with money—its place and its use in your pre-teen-ager's life.

Understanding money and knowing how to use it are essential since we are living in a money economy. Most of what we buy costs more today than when you were a pre-teen-ager. There are so many more things to buy and more services to use the income of your youngster. He is feeling the many pressures from his age group. You know how difficult it is to accumulate a comfortable sum of money even though you work hard and spend and save wisely. You understand these things, but think how difficult it must be for a very young person to understand.

Your Role as Instructor

These things make it increasingly important that you assume the role of an instructor in this business of child learning to manage money. It is big business and warrants a considerable amount of your time. Of course, your child has been learning something about money for several years. His money management lessons started when he made his first transaction involving the buying of an ice cream cone. He has come a long way since then. You have been giving him training by teaching him to handle money wisely and by encouraging him to weigh values so that he can make intelligent choices. Or have you? If you have let the early years slip by, don't dismiss your responsibilities with the attitude of "why bother—it's too late now." Whatever his age, you can help your child through example and advice—you can get him see money used, and you can let him use money.

Money plays an important role in our lives. Your youngster has found he can buy things—he can do things with money—he feels secure when he has enough of it—he may feel frustrated when he thinks he needs more than he has. He may even have found that money carries a certain amount of power.

Want to Reverse Trend?

Most American youngsters have never known anything but a high level of prosperity. This has affected their attitudes. It has caused parents to ask, "Is materialism running rampant?" Adults have been responsible for much of this—they too often use the dollar sign in rating people, products, and performance. How do you feel about these things? Would you like to attempt to reverse the general trend and de-emphasize the importance of money by substituting other values in its place? It can be done, but it will require work on your part. The first step is the re-examination of your own attitudes and behavior. Setting a good example is one of the best teaching aids.

Decide what you really want to teach your pre-teen-ager. This will vary with each individual. It will depend somewhat on what you have taught him in the past. It will depend on the pressures being exerted by his own age group. There is no set pattern, but the suggestions offered in this publication may serve as a starting point. You may wish to discuss some of your ideas with other...
Jane uses labeled jars to divide her allowance into three categories—save, spend, and share.

Provide Money For Spending

Allowances are taken pretty much for granted these days. An allowance is a stated amount of money given at a regular time. An allowance is considered satisfactory if the sum meets the actual needs of the child and gives him a little to satisfy his personal desires, some to share, and some to save for future satisfactions.

If you are not using this plan and are a bit confused about it, consider these facts agreed upon by authorities on children and money. First, it may be surprising, but true in most cases, that a weekly allowance usually comes to less than dimes and quarters doled out for a treat here, a notebook there. Second, a young person can learn more about money and what it can and cannot buy only by being free to make choices, decisions, and mistakes of his own. If a poorly constructed camera breaks or ceases to give pleasure, he will think twice before he buys another one with his own money. He is almost certain to consider the question, "Is it worth my money?"

How Do You Plan An Allowance?

Arrive at the amount for your child's allowance by planning with him. This is part of the learning process. Take time to discuss details of your plan—remember this is big business for your child. There are several ways you can do this.

Here are some suggestions:
1. Have him list his "needs" or his regular expenses as he sees them. (Explain that food, shelter, and clothing are not to be included.)
2. Have him classify these needs—more important ones and less important.
3. Do the same thing with "wants" or occasional expenses.
4. Decide what he will be responsible for—what you will continue to pay for.
5. Discuss the "going rate" for allowances in his age group. Explain why it may be necessary for his to be different from others in the neighborhood.
6. Agree on the exact amount for "needs."
7. Agree on the amount for personal use beyond needs.
8. Reach a gentleman's agreement on how emergencies are to be met.
9. Decide on when the allowance will be given and in what form.
10. Have him keep a simple record of all the money he spends for one week. You and he decide if this is a representative week. Compare the list and record.
11. Help him to evaluate his effectiveness in managing his finances.

As "director," prepare yourself for dozens of questions about the administration of this allowance. Tactfully inform your young one that no allowance is big enough to cover all needs and wants, nor is it possible to project in advance all necessary expenditures or emergencies.

Remind yourself of one of your objectives: to maintain a mutually satisfying money relationship with your child. A lesson in good sportsmanship may be in order many times.
Caution Signs For You—“The Director”

Observe "hands off" when it comes to the way your child handles his personal money. Comments?—some. Advice?—sparingly. Guidance?—yes. Too much direction discourages his initiative.

If you and your pre-teen-ager decide on a simple account system, you may be tempted to "audit" it occasionally. The caution sign reads "hands off." If you suspect that some use he is making of his allowance is harmful to him, ask to make a review of his accounts. Try to avoid making the review a justification for expenditures.

A periodic review (every month or two) of the allowance could help in two ways: (1) give you a chance to discuss the child's money needs; (2) give you an opportunity to see if he is ready to take on more money responsibilities.

Don't borrow from your child. One of the hurdles of the allowance system is caused by the mother or father borrowing change from the child. He is sometimes placed in an awkward position when he reminds the parents that they have forgotten to repay the loan. Too often, parents see the money as their money even after having allowed it for the child.

Perhaps one of the most unpleasant relationships between parent and child is a situation where the parent uses money as a means of control or as a means of securing affection from a child. To pay a child a dime "to be good" is establishing a poor basis for good standards of behavior.

Motivate your child to feel he should contribute and carry responsibilities to do chores and tasks around the home rather than be paid for them.

Most authorities say it is best not to increase your child's allowance as a bribe or decrease it as a punishment. They also agree that it is not a good idea to put monetary value on things that really have none. Drinking milk or eating spinach should not mean money in the pocket.

One of the most important caution signs might read "Keep Your Part of the Agreement." This lets the child know where you stand and what he can expect from you.

What About Earning Money?

There is a great deal to be gained by a youngster earning money since it seems to give him a sense of freedom and recognition. It seems beneficial so long as the work is not too difficult and there is still sufficient time.

Walking the dog is one way Jane has found to earn extra money.
for study, to play, to take part in family activities, to assume responsibilities for family tasks and for school.

The greatest difficulties concern opportunities for earning. Perhaps you can recall numerous things you did to receive money — but how many of those opportunities are available today? This situation calls for action on your part — can you help to discover opportunities? Encourage your young worker to create opportunities. Sometimes a hobby can be turned into an earning project. Sometimes neighbors have special needs that this age group can fill, such as caring for a pet while the owner is on vacation. One word of caution: artificial, valueless tasks injure a child’s self-respect.

An important part of the parent’s job is to instill good working standards from the very first venture. Before your pre-teenager hires himself out, let him practice at home. Show him the important parts of the job and see that he masters them. Let him know that if he is skillful and conscientious his services will likely be in demand.

Curb the enthusiasm of your young salesman if he appears to be making a nuisance of himself. On the other hand, you may need to help one who is too shy.

Should your child be paid for work at home? There is no clear-cut answer. Generally speaking you are trying to develop a feeling of responsibility in him toward doing his share in maintaining the home. If the parent feels that the child is contributing his share and yet is willing to do an extra bit for money, it is better to pay him than pay an outsider to do it. However, difficulty can be encountered because a child is a miniature business manager. He soon senses that it’s to his advantage to keep his share small and his paid service large. The line where the share of responsibility ends and paid contributions begin is so fine that few people can judge it and adjust to it without considerable discussion. Paying the child for home tasks often sets a negative precedent.

**How Much Should Your Child Save**

Although saving for some special article or need may start early, it often gets its biggest boost around age 9 or 10. It may come later. The pre-teens is a “collecting” period for a child and he will go to great lengths to further his activities.

It is not wise to force your child to save just for the sake of saving. If he has no specific reason that’s important to him for putting money in his bank, saving will be meaningless. Too much emphasis on thrift may drive him to the opposite extreme.

Help your youngster to learn to take care of his possessions and explain that this is a form of saving. Refrain from replacing articles or money lost through carelessness — and you will be teaching him thrift.

There might be one exception to the rule against forced saving — it concerns large presents of money from relatives or friends. It is usually a good idea to put most of this money in the bank. Let your child go to the bank to make the deposit. Avoid going at a rush time so that your young depositer can explore the bank. He will probably be surprised to discover that the bank periodically adds small amounts to his account. Explain that the bank has let someone borrow his money (along with the money of other savers) and that this person pays interest to the bank for this privilege.

This could lead easily into the subject of your pre-teen-ager borrowing and lending. One important lesson is for him to learn to distinguish between borrowing for a constructive purpose and borrowing because he has failed to plan ahead.

A boy may want to buy a baseball glove to use during the summer, but by the time he saves enough from his allowance, the football season will be underway. His dad could lend him the price of the glove, but he should be required to repay a certain amount each week, just as he would if he were using a store’s installment plan.

**How Can Sharing Be Encouraged?**

Sharing can be encouraged by example more than any other way. Show your young person how you share your resources — money, time, skills, interests. Encourage him to contribute his resources to family projects, school activities, and church endeavors. See that resources other than money are emphasized.

Taking his friends to the movies, buying his share of treats, and buying gifts for special events are ways in which your child might express his friendship for others. But, occasionally a child likes to outdo his friends for selfish reasons, or to use his resources to “buy” friends. This is a matter that will require individual attention.

**How Can Teamwork Function?**

Good parent-child relationships result in cooperative teamwork. Include the child in the discussion of family finances as much as possible. Some details are beyond his comprehension but you can sense these. Some parents hope to spare their children unnecessary worry — they feel frustrated if they cannot provide everything that is requested. Some parents want complete control over their children, even to adulthood. But not you! If you can show how the personal allowances of all family members fit into the total budget, your child can see how he shares in the family incomes; he can see why everyone should plan together.

**How Can You Plan Spending?**

One of the most difficult things parents encounter is the necessity to occasionally deny their child the things he wants. It is only natural to want to gratify a child’s every wish. Yet nothing can surpass the benefit which
your child receives from learning to manage money intelligently. The only way he can evaluate his wishes is to have a little less than enough money to spend. Then he must decide which thing he believes will give him the most satisfaction. This causes him to project his planning into the future. This is the first step of planning.

Give the allowance in small coins. If the allowance is something new, take time to sit down with the child and review the terms of the agreement. For the very young person, designate each coin that is a "regular" expense and put it in a particular place—an envelope, a box, a jar—anything the child can open and close easily. This will relieve him of the temptation to spend that coin for something other than its original purpose. Continue in this fashion, taking care of the regular expenses. Consider the "occasional" expenses for the particular week and put those coins aside. The remaining money is for "personal use," and a brief discussion concerning this is in order, for this is the heart of the allowance plan. Here is your opportunity to guide rather than direct. He must make his own decisions for buying what he believes will bring him the most satisfactions. He will be facing similar situations over and over throughout his life. Patience and understanding on your part are very important at this stage. You will have to explain many times why he may only have a quarter.

The value of saving part of the allowance each week for unexpected needs may be stressed. The child will need help in choice-making for this just as in spending.

Accounts for children may often be introduced when a child asks to have his allowance increased. If your preteen suggests an increase, you could say, "If we knew how you use your allowance now, then we would know a little better whether you need to have it increased." He very likely will agree to this and you can set up a very simple account system. This should give him and you insight into his money management habits. It also teaches him to be systematic in handling his affairs.

Let your child see that you plan your spending. Have him help with the grocery shopping occasionally, let him assume responsibility for some household spending—this could be buying dog food for the family pet. Let him watch as you write checks for your monthly bills. This will help him learn something about our credit system and how it operates. You hope he learns the lesson that we must pay bills promptly to have a good credit rating.

**You Are On Your Own**

It has been said that the best way to learn is to teach, so by teaching your child the techniques of money management, you are likely to become a better money manager yourself.

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?

**OTHER PUBLICATIONS IN MONEY WORLD SERIES**

Available from your County University of Missouri Extension Center or the Mailing Room, 15 Waters, University of Missouri, Columbia.

- 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 (10-12 years)
- The Money World of Your Young 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 Young Teen-Ager
- The Money World as Seen by a Young Modern

Issued in furtherance of cooperative extension work, acts of May 8 and June 30, 1914, in cooperation with the United States Department of Agriculture. C. B. Rarchford, Director, Cooperative Extension Service, University of Missouri, Columbia, Mo.