

Oregon State Credit Union difference



Oregon State
Credit Union

Teaching kids about money

Every child is different. Some are ready to learn about money as soon as they can count. Others need more time. The following suggests age-appropriate activities and lessons for teaching kids about money, but keep your child's individual personality and capabilities in mind and adjust as needed.

Ages 0-5: Teaching by doing

- **Just say no:** At this age, kids can't distinguish a want from a need – you'll have to do that for them.
- **Make it real:** From the viewpoint of a three-year-old, money pops out of ATMs, lives in your mobile phone and is completely unnecessary if you have a plastic card. Explain where it is actually coming from.
- **Handle the cash:** When they're old enough to handle coins without putting them in their mouth, teach them how to identify each coin. If you're paying with

cash at the store, let your child hand it to the cashier.

- **Sharing is caring:** Encourage them to donate old toys to charity, or let them drop money into donation buckets at local zoos, libraries or such things as Salvation Army buckets.
- **Open a savings account for your kids:** As they grow older, you can use this account to teach other concepts about finances. Oregon State Credit Union has special accounts for children called Scottie Savers Club accounts. Learn more about this at oregonstatecu.com or call 800-732-0173.

- **Use a piggy bank:** Children may not understand their account statement, but they can see and count the coins in their piggy bank.

o **Pro tip:** Get three clear jars and mark them "Spending," "Saving" and "Sharing." Help your kids divide their allowance among the three jars. When the money in the Savings jar reaches the top, help your child count it out and take it to the credit union to deposit. When the monthly statement arrives, show them where the deposit is marked.

Ages 6-12: Handling an allowance

- **Money for chores:** Make a chart listing chores and establish a consistent "payday" when you review the chart before they get paid.
- **Resist impulse buying:** Teach your kids techniques for resisting impulse purchases, like waiting a day before spending money.
- **Become advertising savvy:** Help your kids learn to think critically about advertising. Talk about who created the ad and what it wants kids to do.

- **Teaching charity:** Talk to your child about donating the money in their Sharing jar. If practical, let them visit the organization they're supporting.
- **Set a savings goal:** For larger purchases, help them research the price. Create a chart showing how much they need to save each week.
- **Set clear limits:** If you need to say no to a purchase, be firm. Discuss how this "no" is consistent with your family's values.

Don't miss the Annual Business Meeting April 1



Come hear about your credit union's 2019 achievements from the Chairman of the Board and the President/CEO, and elect three members to open positions on the Board of Directors.

Join us at the Sunset branch, 4800 SW Research Way in Corvallis. Doors open and registration begins at 5:30 p.m.; the meeting starts at 6 p.m.



Ages 13-16: Higher order thinking

- **Begin budgeting:** Have your child list expenses they can anticipate. If expenses exceed their allowance, teach them how to adjust their spending.
- **The value of money:** Babysitting, washing cars, delivering papers and mowing lawns are all great ways for kids in this age range to make money. Help them calculate how many hours they need to work to afford a purchase. Ask if they are willing to trade those hours for the item.
- **Decision makers:** Include your children in planning for family outings and vacations to teach basic budgeting.
- **Introduce compounding interest:** Review how compounding interest affects you when you borrow and when you save.
- **The many forms of money:** If you feel your kids are ready, let them work the ATM. Explain where the money is coming from, then show where the

debit appears on their statement. Let them pay for something with a credit card, then take the money out of their Spending jar when you get home.

- **More about advertising:** Talk about how advertisers try to manipulate our values to get us to buy things. Ideas like “you have to be thin to be happy,” or “money and possessions are the measure of success” are just some of the messages delivered through advertising. Discuss how their favorite YouTube stars or social media influencers may be promoting products to young people.

Ages 16-18: Transitioning to adulthood

- **Get a job:** Some kids can handle an after-school job, while others need that time to study. For those kids, maybe a summer job is more appropriate.
- **Add accounts:** By this age, most kids are ready for a checking account and maybe even a debit card. Have them sit down with a consultant at your credit union who can explain how the money is deducted from their account when they write a check, pay for something online, withdraw cash at the ATM or use their debit card. Discuss how they can avoid overdrafting their account and the consequences if they do. Oregon State Credit Union offers TLT checking accounts for kids ages 13-18 who are not yet enrolled in college. As a TLT account

holder, your teen can apply for a debit and credit card tied to their account.

- **Take up the slack:** If your child has a job, let them pay for personal expenses. This might include car insurance, mobile phone, school supplies or other expenses.
- **Responsible credit:** Some kids may be ready to handle a credit card. If they begin to accrue a balance, strategize ways to pay it down.



- **Talk about college:** Be clear about how much the family can contribute, and encourage your child to look for scholarships and grants. If you will need to borrow money, talk about who will repay those loans. If your child has had a TLT Savings account, they may be eligible to apply for a \$2,000 scholarship to an Oregon college or university.

Congratulations, your child is now a young adult. You’ve given them a solid grounding in financial literacy. Don’t panic if they make mistakes; you made mistakes, too. It’s all part of learning.

Stop by

There’s an Oregon State Credit Union branch in your neighborhood, offering:

- | | | |
|--------------------------------|---------------------------|--------------------------------------|
| • Convenient location | • Certificates of deposit | • Free checking accounts |
| • Local decisions | • Money Market accounts | • Home equity lines of credit |
| • Personal service | • IRAs | • Business loans and lines of credit |
| • Visa® credit and debit cards | • Auto loans | • And more |
| • Savings accounts | • Home loans | |
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Credit unions educate their members, helping them become better consumers of financial services.