

Teaching Children...

...about Money



By

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INTRODUCTION

This booklet was designed to be used as a tool to encourage parents to get involved in the greatest investment they can ever make - training up their children.

When you see a child grow up to become a responsible, mature, independent young adult making wise decisions in life, you can be assured that it was not by accident. At some point in that child's life, someone took the time to get involved in the teaching and training process that is essential for success. Most often, that someone was a loving, sensitive, caring parent. As a parent, accepting your God given responsibility to "Train up..." your child is the greatest investment that you can ever make for your child and for yourself.

Teaching children fiscal responsibility is critical to their success in every area of life. In a heavily marketed society such as ours, that preys upon ignorance, emotions and lack of discipline, the chances of your child being able to make wise life choices is very slim unless they are warned and trained in advance.

Regardless of the age of your child, you *must* begin today! As you approach the task which might seem to encompass many insurmountable obstacles remember two things:

- 1) You are not responsible for the *outcome*, only the *input*!
- 2) **NEVER, NEVER, NEVER GIVE UP!**

"Train up a child...?"

Train up a child in the way he should go and when he is old, he will not depart from it. Proverb 22:6

When you look more closely at the meaning of this very important verse, you will see how it encompasses many very valuable truths that should encourage and guide you as you seek to "Train up..." your child.

The first, and most important word in the verse is "train" - not to be confused with the word "teach". It's easy to think of the two words as having similar meanings but the action implied is quite different.

Webster defines the word **teach** as "*to cause to know something; to show how; to impart the knowledge of*".

Webster defines the word **train** as "*to cause to grow as desired; to form by instruction, discipline, or drill; to make or become prepared for a test of skill*".

By looking at these two definitions, it is easy to see that the act of training requires much more than just telling your child what to do. It requires that you become proactive - to "get your hands dirty." Although teaching is an essential part of the formula for success, teaching by itself will not produce the desired outcome in your child - there must be training!

Read Proverb 22:6 with strong emphasis on the word "he". "*Train up a child in the way **he** should go...*". God has a perfect plan for every person. The job of a sensitive and loving parent is to help their child discern God's perfect plan for their life. In this respect, a parent could be thought of as a counselor and a coach.

Knowing the child's personality, strengths and gifts is a critical first step in helping the child research areas of interest. With the help of friends or even volunteer programs, a child can discuss or observe different job situations. This will give the child a better understanding of what a particular occupation is really like. Career and personality assessment tests are also a possibility. These type of tests are designed to point a child toward the career areas best suited for them.

Then there is the emphasis on the word "should". "*Train up a child in the way he **should** go...*" When you read the verse with this emphasis, you should sense the strong responsibility as a parent to lead your child toward what is good and right. The opposite meaning can be seen when you replace

the word "should" with the words "wants to". *"Train up a child in the way he (wants to) go..."*.

It is the parents responsibility to train up the child in the way he/she *should* go rather than the way he/she *wants to* go. Why? Because we all have sinful natures. Our human nature tends to lead us toward our wants and not necessarily toward what is best for us. The wisdom of God's word will always lead us toward the truth and what is best!

Proverb 22:6 serves to encourage parents with practical advice for bringing children up in the *"...way (they) should go..."*. It also leaves the parent with the assurance and the promise that if followed, the child will grow up to understand the benefits and the blessings of being wise steward - *"...and when he is old, he will not depart from it."*

If you truly want the best for your children, then you will take to heart the tremendous responsibility that God has given you to *"Train up a child..."*. Remember, as a parent, you are merely a steward for a relatively brief period of time over a life that came from God and belongs to God. And remember, you are only responsible for the input not the outcome.

Putting an end to the madness

Do you see anything wrong with the following statements? "You can't buy a car today unless you finance it or lease it." "If my debts get too high and my creditors/collectors keep bugging me, then I'll just file for bankruptcy." "The bank said that as long as our house payment was within 28% of our combined monthly gross income we would be OK." "We don't really use a monthly budget." "We don't have an established emergency fund. If we have a problem, we can just use our credit cards." "I can't afford to tithe on my income."

Without the proper training in the area of money management, these are the kind of statements that you can expect to hear from your children as they become the adults of tomorrow. These are the types of statements you might also expect to hear from people who are standing in line to become the next financial disaster. In almost every case, these people would tell you that they were simply never taught the basics of money management. Don't let your child become a negative statistic!

Focus On The Methods

In order to make training pay-off, you must consider the methods used during the training and teaching process. It is not as simple as saying, "Do as I say, not as I do.". Training requires a tremendous amount of emotional and physical energy on the part of the parent. Certain methods can help to maximize your efforts. Consider the following three points as you decide on the methods best suited for your child.

Training by Example...

Without a doubt, training by example is the most *efficient* method to train up your child. Of course the obvious becomes apparent right away - you can't train by example unless your example is worth following.

The financial basics:

- Develop and use a monthly written budget
- Learn to live on less than you make
- Save money
- Don't borrow money to buy things that go down in value

"The just man walketh in his integrity (completeness, honesty, soundness): his children are blessed after him." Proverb 20:7

From this verse, you can see the power of a good example. Even when *you* are unable to communicate the principles that you had hoped, your example can. This alone should be reason enough for you to focus on your own life, especially if you have older children that you find hard to reach.

"And these words, which I command thee this day, shall be in thine heart: and thou shalt teach them diligently unto thy children, and shalt talk of them when thou sittest in thine house, and when thou walkest by the way, and when thou liest down, and when thou risest up." Deuteronomy 6:5-7

In these verses, we see that training never stops. Every question is an opportunity for the parent to input truth. The classroom is life itself. As a parent teaches and trains their child about life, there is no better

laboratory or field trip than the one that exists around us all day long. I have found that reality is the best teacher.

Training in Love...

The next consideration is how to make your teaching and training more *effective*. The most *effective* way to teach and train your child is with lots and lots of love. Love is the sugar that makes the medicine go down. Forming and shaping your children in the habits and disciplines necessary to live life skillfully are often unnatural at first and sometimes painful. Making the training process more enjoyable is possible when you encompass the learning with lots of love. Sometimes, you'll have to reach deep down and ask God to give you the love you need. Just remember, you can't teach or train your child if there is anger and resentment. Again, scripture warns us of the need for love:

"And, ye fathers, provoke not your children to wrath: but bring them up in the nurture and admonition of the Lord." Ephesians 6:4

Training With Hope...

There'll be times when you feel like the situation is hopeless. You might even feel that if you could just get them grown and out of the house, everyone would be better off.

I encourage you, please don't give up. Don't lose hope. As long as your children are under your authority, there is hope. Remember, it's not your responsibility for the outcome, only the input. Your children belong to God. Even though the process is painful at times, don't quit! All of the pain you endure now has the potential to prevent even greater pain later. Scripture gives us another warning:

"Chasten (correct and discipline) thy son while there is hope, and let not thy soul spare for his crying." Proverb 19:18

Many might think of the word "chasten" as only a form of negative correction or discipline that is required as a result of wrong behavior. Chastening is also, however, a positive and preventative form of instruction and guidance. The goal of every parent should be to focus on the positive

and preventative chastening. This alone should help to minimize the need for negative chastening.

Your child needs the wisdom that you have gained as an adult. Your good and bad experiences in life can serve as valuable teaching tools. Without wise guidance, your child is doomed to follow the way of the masses. If you have made mistakes, warn your child about them. Don't give-up! There is still hope!

"Hope deferred maketh the heart sick; but when the desire cometh, it is a tree of life." Proverb 13:12

Your desire to see your child grow up to become a responsible, independent, wise adult *can* come to fruition - but not without your persistent involvement in their life. Do whatever you can to make that desire become a reality - it's worth the sacrifice!

"A wise son maketh a glad father..." Proverb 15:20

"I have no greater joy than to hear that my children walk in truth." 3 John 4

It's Never Too Early or Too Late To Start

The sooner you start the better, but it's never too late to start. Ideally, it would be best if you and your spouse had the conviction, knowledge and dedication to start out teaching and training your child from the day you brought that little bundle home from the hospital - but it doesn't always happen that way. For example, if you have a teenager that isn't open to your instruction, you will need to start out very slowly. You might have to start with the basics of earning their trust and respect. You can move into more practical areas of teaching and training as the situation allows. Remember, you are only responsible for the input, not the outcome. Start by presenting a good example in your own dealings with financial issues, communicate in love and don't lose hope.

Regardless of how young or old your child is there are three basic fundamentals that must be instilled in them if they are ever to experience true financial freedom.

1) **God owns it all!** We are the managers of His resources. When someone claims ownership of anything, they voluntarily place themselves in bondage. Freedom can only occur when you transfer ownership of everything to God and accept your position as a manager (Proverb 11:28).

2) **Everyone needs a budget** or a monthly cash flow plan. Without a plan for how you are going to *spend* your money, there will more than likely never be an effective plan for how you are going to *save* your money. Without savings, there can be no financial future!

3) **Self discipline and moderation** are key elements that will allow you to reach your financial goals. Discipline, contrary to what many believe, is not something you are born with. Discipline is a trained condition of order and obedience. It's the parent's job to present situations that encourage the development of discipline, even at the earliest of ages, but don't stop with bathing, brushing, and obeying. Keep teaching and training your child in things that are critical to their success in life.

Now let's look at what a child should be taught and when.

Childhood...

During the childhood years (ages 1-10), the basic *attitudes* are being formed that begin to mold the child's *character*. Some of the basics that should be taught at this age are:

Ages 1-10

- Obedience/Authority
- God owns it all
- Orderliness/Excellence
- Relative value
- Sharing /Giving
- Responsibility/Reward
- Introduction to Budget

Adolescence...

During adolescence (ages 11-16), the previous years of conditioning start to show up in the child's *convictions*. It is from these convictions that the child will base all of his/her reasoning for doing the things he/she feels are right. Some of the basics that should be taught are:

Ages 11-16

- Budgeting
- Spending/Saving

- Smart Shopping
- Checkbook
- Compounding
- Taxes

Young Adult...

The young adult years (ages 17-20), are the years of *reality* training. During this time, your child will start to form his/her outlook on life that will affect all of their money decisions. Some of the basics that should be taught are:

Ages 17-20

- Credit & Debt
- Work/vocation
- Automobiles
- Insurance
- Mortgages
- Investing

Using these guidelines can give you a starting place. You know better than anyone else where your child needs help. If you are getting started late and your child is in their late teens, you might need to incorporate suggestions from all of the age groups into your training efforts. The key is to start doing something NOW!

In order to be successful training up your child, both you and your spouse must be committed to the effort. This is not a job for "super mom" or another project for "handyman dad". This *must* be a TEAM effort!

Conclusion

Training children to turn out right requires a great physical and emotional commitment on the part of *both* parents. When you wonder if it is worth the effort, consider the possible consequences of neglect and procrastination.

One of the greatest obstacles to parents in the teaching and training of their children in the area of money management is the parent's own ignorance. If the parents of America are going to ever be able to teach the generation that is to follow, they must first learn and apply the principles in their own lives that they intend to teach.

Take the time to sit down with your spouse and work out a plan to start training your child. The younger your child is, the better, but it is never too late to start!

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Review Questions

1. What is the one thing that you are responsible for in the training of your children? What is the one thing that you are not responsible for?
2. What is the difference between teaching and training?
3. What is the most *efficient* method to "Train up a child..."? Give some practical examples.
4. Read Proverb 22:6. Describe the parent's special responsibilities in reference to the word "he" and the word "should".
5. List some possible negative financial consequences that await a child when they are not taught and trained in the Biblical and practical principles that relate to money management?
6. After looking at the basics that parents should be teaching their children (pg. 18, 19), name some of the areas that you feel you need to be working on. Discuss the first steps that you think you should take.
7. What is the most *effective* way to "Train up a child..."? Share one of your personal experiences of success or failure in this area.
8. What specific areas do you as a parent need to focus on in your own life in order to be a more *efficient* and *effective* mentor to your child?
9. What is your greatest desire for your child when they become an adult?
10. Name one thing that you would like to change in your relationship with your child that might ultimately help your desires for him/her become a reality?