

Topics for Talk Challenge



Directions

For each of the 12 questions, use the code at the top and grade yourself honestly from 0 to 3 based on how well you have covered the topic with your child – regardless of the child's age.

Code

- 3** – you talk about a topic often.
- 2** – you occasionally talk about a topic.
- 1** – you have talked about it once or twice.
- 0** – you never have broached the subject.

- 0 1 2 3 **Q1. Why money is valuable.** It's not just for spending. Money provides security now, for the future, and in retirement. Money gives you choices in life and in times of emergency.
- 0 1 2 3 **Q2. Where money comes from.** How people earn money, the many jobs out there, and how education links to earning power.
- 0 1 2 3 **Q3. Where money goes.** It's not just for pleasure and entertainment. It buys heat and electricity, lawnmowers, plumbing services, dentist visits, and roof repairs. Kids should know that money must be set aside for such things.
- 0 1 2 3 **Q4. Why saving money is important.** Money is needed for emergencies and unexpected things, like the hot water heater that fails. We don't know what the future brings. Money is saved for the future too: like college educations and retirements.
- 0 1 2 3 **Q5. Ways to spend wisely.** Do you take kids with you to shop sales, and then do you control your spending at the sale so kids don't see you buy impulsively? Do you use things like coupons and rebate offers? Do you explain how to look for value when buying? Do kids know that brand names don't always offer the best value?
- 0 1 2 3 **Q6. What happens when you borrow money.** Do kids know that banks loan money and how a loan works? Do your kids know that using credit cards is the same thing as taking out a loan? Do they understand that they must pay interest on any portion of the loan that is not paid? Do they know how interest can add up? Do they know about penalties for late payments?

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- 0 1 2 3 **Q7. Why everyone needs a Rainy Day Fund.** Do you share stories about how unexpected expenses can put pressure on people? How you would need money on hand if the air conditioning breaks down in the middle of a heat wave? If you don't have the money, you must borrow it, which makes the purchase even more expensive.
- 0 1 2 3 **Q8. What it means to invest money.** Do you talk about how to make money work? Have you explained a savings account, a CD, a bond, or stocks?
- 0 1 2 3 **Q9. How to be thrifty.** In our consumer society, thrift is practically a word that has dropped out of our vocabulary. Do you talk about stretching your dollar? Do your kids know what "value" means? Do they know how to look for value when they spend? Can they judge a purchase on its merits? Can they judge the quality of a product or are they blinded by a label's name?
- 0 1 2 3 **Q10. Controlling spending.** Have you explained the difference between needs and wants?
- 0 1 2 3 **Q11. Budgeting to set limits on spending.** Do you ever say to your kids "We can't afford to do that right now – we have to use our money to..." Or "That's more money than we can spend. We'll have to save up for that."
- 0 1 2 3 **Q12. Delaying gratification.** Have your kids ever watched you deny yourself something you wanted? Have they watched you "wait" to purchase an item or watched you "make do" until you had the money to buy what you need?

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Your Score

Add your numbers from each question to get your final score.
If you scored:

- 0 - 22** You need to improve. Now that you know what to do, start to look for opportunities in your day to bring up money topics.
- 23 - 29** You understand the need for talking. You just have to improve your efforts. Save this page to remind you of ideas you might be overlooking.
- 30 - 36** You're a good and thoughtful talker. Keep up the good work as your child grows older.

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We are always making decisions about money. Be willing to talk to your kids about what is happening in your financial life. For example:

We need to save money to repave the driveway so we're going to cut down on spending, do you have any ideas?

We have to start thinking about replacing the washer and dryer, so we'd better not buy that TV. There's really nothing wrong with our old one.

Don't forget small things. Do we buy the big box of detergent or the little box – why? Let your kids see you weigh the pros and cons. You are teaching them to think through purchases.

Then help kids through the same thought process in their lives. They need to practice well ahead of the pressures of the teen years. Learning how to think about money is a life skill.