



Children begin developing financial behaviors as early as age three, and by age seven most financial behaviors are firmly in place. It's extremely important that children learn the correct way to manage money during these formative years. Children should begin learning about money as soon as they are able to count.

This guide is intended for use with The Candy and the Coinbot, available in both print and digital formats at www.CoindexterJr.com.

EARNING YOUR OWN MONEY

Where Does Money Come From?

It's important to emphasize that *money is earned in exchange for work*. Although this is only one of several ways an individual may receive an income, it is especially important for children to understand this concept. Children, instinctively, become much more conscious of spending habits when they learn that the amount of money available to spend is finite and determined by the amount of time one spends working.

Identifying Sources of Income

Although options may be extremely limited, *even a child can identify sources of income*. Performing household work for parents and neighbors is the most popular and safest approach. When considering which household chores your child can perform in exchange for payment, *consider chores that fall outside the realm of ordinary daily responsibilities*. For example, making the bed and picking up toys should be completed without the expectation of payment. Instead, consider tasks such as raking the leaves, washing the car, or even walking the dog. These are all jobs that would require payment if not completed by a family member.

Explain this concept to your child and arrive at a fair rate of compensation. The amount your child earns for completing these chores should be determined by several factors including the child's age, the difficulty of the chore being completed, the time needed to complete the chore, and the financial situation of the family.

STORY LINK

Page 8

Situation:

Coindexter discovers that he needs money he does not have in order to buy the battery for his Coinbot. Whimsey explains to Coindexter that he can work in order to earn money.

Question One:

Has there been a time when you wanted to buy something that you could not afford? Would you be willing to work for the amount needed to buy this item?

Question Two:

How can you earn money as a child?

SPENDING & BUDGETING

Making Wise Spending Decisions

We can't afford to purchase everything we want and need, so each purchase we make has an opportunity cost. Every time we buy a product or service, we decide to forgo other options. For example, in order for a child to purchase a new video game he or she must forgo or delay the option to buy a new bicycle. It is important for a child to understand the difference between wants and needs and how this concept affects spending decisions. Our needs should always be addressed before purchasing the things we want. Things we need include housing, food, clothing, and utilities such as power and water. Certain expenses related to education or training may also be classified as needs. Once we satisfy our needs, we can decide whether to spend our money on the things we want. Things we want may include toys, games, fancy cars, and larger homes. Very often children are shocked to learn how little money is left over after meeting ordinary, household needs.

Making wise spending decisions will help our money stretch further. By considering alternatives, we can be sure to get the maximum value from our purchases. Often, a broken item can be repaired instead of replaced, and generic brands can be purchased for much less than name brands. Consider the scenario of making coffee or meals at home instead of visiting a coffee shop or restaurant. Small changes in our spending behavior can have a tremendous impact on our financial well-being.

STORY LINK

Pages 14 & 15

Situation:

Viktor convinces Coindexter to spend all his money on candy.

Question One:

How would the story have ended if Coindexter spent all his money at the Candy Store?

STORY LINK

Pages 20 & 21

Situation:

Larry explains to Coindexter that it is important for him to stick to his goal. Coindexter worked hard for his money, and it would be a shame to waste it on something he does not need.

Question One:

Is there something particular for which you would like to save money?

A PLAN FOR SAVING

Setting a Savings Goal

Saving becomes much easier when we set a goal. A savings goal is a particular amount that must be saved in order to buy a certain product or to achieve a specific end. Goals can be both short-term and long-term. It's much harder to reach long-term goals because we are forced to stay focused and motivated for a much longer period of time. For kids, long-term goals can become frustrating and may discourage saving. It's best to start with a short-term goal and eventually establish a long-term goal once strong saving habits have been developed. Initially, choose a goal that can be accomplished in three months or less. To successfully reach this goal, create

a plan for saving. The savings plan should outline the total amount that needs to be saved (the goal), how frequently an incremental amount will be saved (e.g. \$5 each week), and a projected amount of time it will take to reach the goal. Each time money is set aside, be sure to track the total progress made towards reaching the goal and re-evaluate the savings timeline if needed. Progress is a powerful motivator and will help keep children engaged with their savings plan.

GIVING TO HELP OTHERS

Introducing Charity

It's important to be generous with both our time and money. Even for children, financial charity is an option. Discover a charitable organization your child finds interesting and begin discussing ways your child can contribute to this organization. Children can also volunteer their time to help others. Discuss ways your child can safely donate his or her time such as helping an elderly neighbor or volunteering at a local charitable organization.

STORY LINK

Pages 28 & 29

Situation:

Coindexter meets Harriet when she is in a tough spot financially, but his generosity helps her succeed.

Question One:

As a child, how can you help others?

The Candy and the Coinbot is the first book in the Coindexter Junior series. Coindexter Junior teaches young children all about money in a fun and engaging format. With both physical and digital products available, Coindexter Junior provides resources for you to help your child become a financial genius!

For more products and resources visit...

COINDEXTERJR.COM

