



20 Things Kids Should Learn About Money

Here are the 20 basic things that young people should learn about financial literacy — as recommended by the President’s Advisory Council on Financial Capability. Following are the 20 basic points that the council says everyone should know, along with the ages at which students should learn them.

3 – 5 Years Old

- You need money to buy things.
- You earn money by working.
- You may have to wait before you can buy something you want.
- There’s a difference between things you want and things you need.

6 – 10 Years Old

- You need to make choices about how to spend your money.
- It’s good to shop around and compare prices before you buy.
- It can be costly and dangerous to share information online.
- Putting your money in a savings account will protect it and pay you interest.

11 – 13 Years Old

- You should save at least a dime for every dollar you receive.
- Entering personal information, like a bank or credit card number, online is risky because someone could steal it.
- The sooner you save, the faster your money can grow from compound interest.
- A credit card is like a loan; if you don’t pay your bill in full every month, you’ll be charged interest and owe more than you originally spent.

14 – 18 Years Old

- When comparing colleges, be sure to consider what each school would cost you.
- You should avoid using credit cards to buy things you can’t afford to pay for with cash.
- Your first paycheck may seem smaller than expected since money is taken out for taxes.
- A great place to save and invest money you earn is in a Roth IRA.

18+ Years

- You should use a credit card only if you can pay off the money owed in full each month.
- You need health insurance.
- It’s important to save at least three months’ worth of living expenses in case of an emergency.
- Always consider two factors before investing: the risks and the annual expenses.

“Money as Your Grow” lessons on the 20 points that parents can do with children: <http://moneyasyougrow.org/>

