Raising Cheerful Givers

Part 1 – INTRODUCTION

Today's kids will need all the help they can get to thrive financially in this world, while fully understanding the connection between faith and finance. Our children and young people are under assault with messages to spend, be greedy and grab immediate gratification wherever possible. Our culture is teaching our kids how to handle money. It is not God's way. Helping our children understand financial principles will not only help them manage their money but also become good stewards.

In these next few issues, we will look at what parents can do to help grow generous, joyful givers who will continue to impact Christ's kingdom for years to come.

Teaching our kids good financial values while they are still under our authority will give them the tools they need to do well in the real world. The goal is to establish a strategy for independence so they can handle their own finances successfully before they leave home. It will also provide a rich opportunity to share with them the important understanding that everything we have belongs to God, and we are to handle our possessions in a way that is honoring to Him.

It is important to provide our children with the proper environment to practice the discipline of handling finances, to monitor their activity so that we can maximize teachable moments, to help them set attainable goals, and finally, be sure to offer them encouragement and praise for their effort.

Of course, teaching kids good financial values can begin at any age, but the younger we start, the better. Research has found that children ages 7 and younger remember about 90 percent of what they do, but less than 10 percent of what they hear. They learn best by doing, feeling, hearing and seeing. Older children also learn best by doing, but have the capacity to begin making personal decisions and learn from them. Teens are able to think abstractly and logically, but are heavily influenced by peer pressure. They are beginning to integrate attitudes and behavior with the principles we have taught them. If by this time we have not taught good financial values, it is unlikely that those values will win over the values of contemporary culture.

Our kids need to learn about stewardship, and what better place to learn these lessons than at home, right here and right now.

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Part 2 – THE VALUE OF WORK

This is the second in a series of articles on "Raising Cheerful Givers". Helping our children understand financial principles will not only help them manage their money, but also become joyful stewards.

According to a 2003 study, students who worked in high school are much more likely to achieve their financial goals and be knowledgeable about money than those who did not. Working in high school and college, to the extent that it doesn't interfere with schoolwork, seems to pay off later in life. Children can begin to understand the value of reward for work at a very young age. The fact of the matter is that the value of work is much more than just monetary.

Teaching your child the value of work builds character. Children will grow up with more respect for the value of money and what is required to earn it. It also teaches diligence. Diligence is a work ethic that means you do the task set before you to the best of your ability in a timely fashion. Diligence encompasses honesty, purpose, energy, excellence and working heartily. "Whatever you do, do your work heartily, as for the Lord rather than for men." (Col. 3:23)

When they are too young to "work", children need a source of money that enables them to learn how to save, spend and share. One such source is an allowance. Sometimes there is debate among parents of whether an allowance is good. Some may feel that children need to understand that as part of a family, they do chores simply for the benefit of the family community. While contributing help to the family unit is very important and right, parents may miss the opportunity of a valuable teaching tool if there is no allowance.

Have you ever been in the store when your child eyes the toy that represents the latest hot "toy craze" or technological gadget that he really needs and he needs it now? Do you hold your ground and simply respond, "No" as you prepare to once again do battle with the crankiness that follows? Or, do you smile and ask your child, "How soon will you have enough money to buy it?"

Whether the money is given or earned, the money is theirs. If they choose to blow the money on the ugliest (in your eyes) and most expensive shoes in the store, let them do it. When they are short on cash, they will realize the benefit of a wiser decision. Keep telling yourself that the reason your children are receiving money is because you want them to learn to manage it.

In our next issue, we will further discuss the idea of allowances.

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Part 3 – ALLOWANCE: A TEACHING TOOL

This is third in a series of articles on "Raising Cheerful Givers". Helping our children understand financial principles will not only help them manage their money, but also become joyful stewards.

As Howard Dayton states in his book, Your Money Counts, "Learning to handle money one step at a time is part of a child's education, a part that parents cannot leave to teachers but must direct themselves." We can begin helping them make wise choices at an early age.

When children are too young to "work", children need a source of money that enables them to learn how to save, spend and share. One such source is an allowance.

Ideally, allowances should not be tied to chores, but you may consider paying children to do tasks for which you might otherwise pay someone else. This can be a great opportunity to teach them about the connection between work, tithing and money and help them develop a sense of pride and responsibility in being compensated for achieving a hard-earned goal.

Some general guidelines: Many parents start with one dollar per week for kindergartners and go up by one dollar per year through elementary school. As your child enters high school and becomes eligible for outside employment, it is a good idea to discontinue allowances during summer vacation because this will probably motivate your teen to earn some of his own money by having a summer job.

When it comes to money, many times parents find it difficult to keep a good balance of giving to their children but also encouraging them to pick up more of the responsibility. This is a personal decision each parent needs to make given the age and maturity of their child. However, the most important thing you can do is to have a plan that is clearly communicated to your child before a crisis of wills occurs. If we always give, give, give to our kids, someday they will experience a rude awakening.

Clearly, over-indulgence with things can hinder the development of a child's character and quickly destroy the need for initiative and motivation.

In our affluent society, many of us are giving our kids so many things and spending so much on them, that we may be spoiling their chance of growing into responsible adults. The best response: an allowance. Once your kids have discretionary money of their own, you can begin to say to your child, "If that is what your really want, when you've saved enough money, I'd be happy to drive you to the store."

Our next issue will discuss the importance of teaching children how to budget and manage their money.

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Part 4 - TEACHING MANAGEMENT: SHARING, SAVING AND SPENDING

This is fourth in a series of articles on “Raising Cheerful Givers”. Helping our children understand financial principles will not only help them manage their money, but also become joyful stewards.

Once children receive a source of income either by allowance or other means of making money, they are ready to learn how to manage it. The first step is making a budget and practicing the discipline to stick to it. Teaching children how to budget will not only help them reach their goals, but will also teach them how to make wise choices throughout their lives.

To effectively create a budget, children need to understand three things: sharing (tithing), saving and spending. Instead of just dumping all their money into a piggy bank, we want to help our children determine an appropriate amount or percent of income for each area.

SHARING. Perhaps the most important lesson in our children’s financial training is the concept of stewardship. Sharing doesn’t come easily for most children. Their natural sense of ownership says, “It’s mine and I want to keep it!” This is an opportune time to help them understand that everything is not ours but is really God’s. We are just managing or “taking care” of it for Him. This concept begins to lay the foundation of a lifetime of faithful stewardship. Sharing also teaches children that the world is bigger than themselves. By sharing, they will understand the value of reaching out to help others.

SAVING. Setting short- and long-term goals with our children, depending on their age, will be very beneficial to them and their future. Whether it is a new toy, video game, bike or other item, saving helps children understand the rewards of accumulation now and spending later. To help a child stay motivated in saving, you may want to offer to match with your own money all or some of the amount they save.

SPENDING. The last category is discretionary spending. Let them spend this amount on what they choose. Let them make the decisions, good or bad, about what to buy. After purchases are made, discuss it with them. For example, after they have bought yet another video game, share with them what else they could have used with that money. Or, after they’ve made a good decision, show them how others are making less desirable purchases. Allow this to be a learning experience so they can learn the importance of making good decisions.

Children can learn the principles of sharing, saving and spending at a very early age. For example, preschoolers can be given three coins each week to put into the three categories.

Once children enter grammar school, they can begin to divide their income by percentages. A good guide to start is ten percent of their money goes into sharing, 50 percent into saving and 40 percent into spending. There is no borrowing from one category to another. Remember when the spending money is gone, it’s gone. By supplementing those budgets, we would defeat the purpose and send the wrong message.

It doesn’t take children long to recognize that money is important. It takes more time to learn how to use it well. Remember, not having a plan is a plan to fail. The rewards of teaching good financial management according to biblical principles will provide our children the foundation for joyful giving and responsible living.

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Part 5 – CONTENTMENT AND DELAYED GRATIFICATION

This is fifth in a series of articles on "Raising Cheerful Givers". Helping our children understand financial principles will not only help them manage their money, but also become joyful stewards.

It is very easy for children and adults to think about all the things they want. It might be something someone else has or something shown on television.

In a world where there are so many things, there is always something that is better than what we already have. Too often, the quest to have the best becomes all consuming – and ultimately less and less satisfying. Contentment does not come from material things. But that is a hard lesson to teach.

So what does correlate with happiness? It is the attitude that Paul describes in Phil. 4:11-12 as learning to be content. When we are content with what we have, we are more likely to appreciate God's gifts to us.
But how can we demonstrate that fact to children? Even at an early age they experience the desire to have more and more, especially something someone else has. If that desire remains unchecked, it turns into ugly patterns of expectation and entitlement.

It is unrealistic to expect our children not to be enticed by more things or to experience peer pressure as they get older. But children who don't know how to control their appetites often become adults who are drowning in debt.

As parents, it is our responsibility to model control techniques. One of these is delayed gratification. When children see Mom setting aside some money each week to make a major purchase – in fact, when they help Mom by charting the progress toward a goal - they become participants in delayed gratification.

Such an exercise shows them how to work towards a goal and helps temper their appetite for more. With delayed gratification, there is a sense of responsibility and expectation. It teaches discipline, restraint and impulse control. They begin to realize how methodical savings can lead to a goal they can truly appreciate.

As Dr. David G. Myers states in his book, *The Pursuit of Happiness,* "Happiness depends less on having things than on our attitude toward the things we have." He also notes that well-being is something other than being well-off.

Helping our children examine what is meaningful and then having the courage to confront the corrosive quest to always want the best brings a sense of contentment to our children and to our families.

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Part 6 – TEENS AND THE DANGERS OF CREDIT

This is sixth in a series of articles on "Raising Cheerful Givers". Helping our children understand financial principles will not only help them manage their money, but also become joyful stewards.

When you left home, how well prepared were you to make serious financial decisions?

We spend 18 years preparing our children for adulthood, but only a few hours teaching them the use of credit and money. Yet, the failure of most marriages can be attributed to problems with credit and money. Even more importantly, the misuse of money destroys a Christian witness. As parents we have a great responsibility.

In her book, *Branded: The Buying and Selling of Teenagers,* Alissa Quart writes that "those under twenty-five are now the fastest-growing group filing for bankruptcy." As we discussed in earlier articles, it is critical to lay the groundwork early in our children's lives by teaching them how to share, how to handle small amounts of money and to let them experience the positive value of delayed gratification. Once they reach teen years, they will be faced with bigger decisions that involve higher-risk, large-ticket items and will be less open to parental advice and suggestions.

One of the best things to do while teens are still at home is to take them to a local bank to open their own checking account, perhaps with a debit card. Such accounts help to teach the discipline of tracking money. They provide an opportunity each month to review the statements together as you teach them how to manage an account. Once they have learned to manage a simple account, they can more easily graduate to transactions such as house and car payments.

If your teen or young adult will be leaving soon for college or off on their own to work, they will be bombarded with offers for car loans and credit cards. Unfortunately, this is the time too many young people naively pile up debt that takes years from which to dig out. The device that digs the hole is often a personal credit card.

Our consumer culture works overtime to convince young people they deserve a fantasy lifestyle. Teens need to understand that when they put money into investments others pay them rent for using their money. But when they borrow, they have to pay others to rent the money. And if they bounce a check or miss a payment, no matter how good the excuse, debt quickly turns into high interest loans, often as high as 25%, and additional credit becomes impossible to get.

As Christian parents we need to give our children practice in using all the tools they need to manage bank accounts, credit cards, consumer loans and investments by the time they graduate from high school. This will give them a solid foundation for their family finances in the future, and provide them with the ability to continue the practice of joyful, generous giving to impact Christ's kingdom.

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Part 7 – MODELING FINANCIAL FAITHFULNESS

This is the seventh and final article in our series on "Raising Cheerful Givers". Helping our children understand financial principles will not only help them manage their money, but also become joyful stewards.

Have you ever heard the saying, "We can teach what we believe, but we only reproduce who we are"? The most powerful tool we can use to teach our children is how we conduct our lives everyday.

When we do this intentionally, we follow the Lord's instruction in Deut. 6:6-7: *These commandments that I give you today are to be upon your hearts. Impress them on your children. Talk about them when you sit at home, when you walk along the road, when you lie down and when you get up.* Notice how the Lord suggests not only talking about his commandments but also modeling them. It is our responsibility to teach, talk and model.

As we've discussed in this series of articles, today's kids need all the help they can get to thrive financially in this world, while fully understanding the connection between faith and finance. Helping them understand financial principles will not only help them manage their money but also become good stewards.

As Nathan Dungan states in his book *Prodigal Sons and Material Girls*, "You are your child's best hope for growing up resistant to the consumer culture. Parents have great influence in shaping their kids' values, priorities and habits. And the sooner you realize that virtually every message your child hears about money promotes spending, the more prepared you will be to counter with messages on the value of saving and the joy of sharing."

When we are looking for it, life brings countless opportunities to model to our children an eternal perspective on life, money and possessions. Some ways to do this are:

Show an attitude of thankfulness at all times.

- Get children involved in your giving activities.
- Be honest with your children. Let them know that giving isn't always easy but that it shows how much we value what God values.
- Show children how to save as a family for special activities such as vacations or other items.
- More is not always better. Just because you can afford it, doesn't mean you need to have it. Let your children witness contentment in your life.

The most important thing we can do is to pass our faith in Christ to the next generation. As parents (and grandparents), we have a great responsibility to share practical biblical truths to our children. In many ways we are in a race against time. Unless our children learn and understand God's financial principles of sharing, saving and spending, they will not be financially able or have the motivation to support the Lord's work in this world.

Our prayer is that every parent and grandparent reading this article will clearly model financial faithfulness to future generations. May God bless us in this task.