

# Teaching Children Financial Responsibility

Start educating now

## Why is it important?

Talking to young children about money might seem unnecessary or even a waste of time, but children often pay more attention than we realize. The earlier we engage in conversations about money with children, the better equipped they will be to manage their finances in the future.

**Here are some reasons why it is important to start discussing money with your kids from an early age:**

It normalizes money conversations.

Growing up you probably did not know how much money your parents earned, what they spent, or how much they were saving for the future. By having age-appropriate conversations about money with your children, you create an open environment where they feel comfortable learning and asking about finances.

It helps them make better financial decisions.

Teaching children basic money management skills can set them up for financial success later in life. Lessons on savings, investing, and budgeting can provide children with the tools they will need when they are managing their own finances in the future.

It helps them learn from past money mistakes.

By being open about your own financial mistakes, you can guide your children toward making better choices. While young kids may not be making big financial decisions yet, one day they might need to plan to pay for college, a house, or a car.

They may not learn any other way.

Do not wait for someone else to educate your kids on how to manage their money! According to the Council for Economic Education 2022 Survey, only 23 states require high school students to take a personal finance course to graduate. Many young adults face some of their most crucial financial decisions in their late teens and early twenties.



## Where to begin?

Having money conversations early can create a healthier financial environment at home and set your children up for future success. The following tips can help you to start talking about money with your children

- 1. Use everyday situations:** Take advantage of ordinary opportunities, such as paying a water bill or creating a budget, to introduce money topics to your children.
- 2. Leverage technology:** Use online resources that teach financial literacy to all ages.
- 3. Make a game of it:** Turn real-life scenarios into a learning experience. Give your child money for a family dinner and have them create and follow a budget for the meal.
- 4. Open an account:** Many financial institutions, including APCI FCU, offer savings and checking accounts for children and teens. Most of these joint or custodial accounts come with parental controls, as well as tools that teach financial education. A savings account can also help create goals for your child.

## Benefits of Youth Savings Accounts

### Youth Savings Accounts teach children about goals:

Goal setting is an essential life skill that teaches the value of hard work and delayed gratification. When children save for something tangible, like a new toy, they learn to work toward a goal and experience the satisfaction of achieving it. This hands-on approach helps them understand the importance of planning and saving.

### Youth Savings Accounts introduce financial basics:

Saving for a goal also helps children grasp the fundamentals of income, expenses, and the value of money. If a child realizes how much effort it takes to save for a desired item, they may rethink their goal. This can teach a child early in life to think critically about what to spend money on and if it is worth the price. This critical thinking is especially valuable in a world where children often observe adults using credit cards to make purchases.

### Youth Savings Accounts teach responsibility:

A savings account provides a direct link between a child's action and their financial outcome. They will learn that if they do not contribute regularly or spend money too frequently, they will not reach their goal. On the other hand, they can feel a sense of pride or accomplishment when they do reach a goal.

**Youth Savings Accounts introduce the concept of investing:** Understanding investing can be challenging, but a savings account can make it easier to grasp. With online access to accounts, children can see how their money grows through interest. Not only does this teach the value of saving early and consistently, but it also shows how small amounts of money can add up overtime.

**Youth Savings Accounts foster compassion and perspective:** Children get a better understanding of how their family has the ability to buy items or enjoy activities as a direct result of planning and hard work. This insight can lead to more thoughtful spending and greater compassion for others, once they realize not everyone can easily afford what they want or need.

## APCI FCU Eligibility

APCI FCU is here to help children and young adults, who are eligible for membership, learn financial responsibility and start on the path to savings.

\*Kids Klub activities are for members between the ages of 5 - 12 years old. Birthday card and gift will be mailed at the beginning of the month in which members birthday falls (child must be between the ages of 5 - 12 years old in the month of distribution).

### Youth and young adults eligible for membership at APCI FCU include:

- Children, grandchildren, and siblings of Air Products and Versum/EMD employees, including step and adoptive relationships.
- Children, grandchildren, and siblings of current APCI FCU members, including step and adoptive relationships.
- Youth and young adults that are part of the immediate household of eligible employees or current members.

## APCI FCU Youth & Young Adult Account Types

### Traditional Savings Account

Open to minors 12 years of age and older who qualify for membership with APCI FCU.

Products and services vary based on the minor's age; please contact the Credit Union for more details.

### PAUTMA (Pennsylvania Uniform Transfer to Minor Act) Custodial Savings Account

Open to minors under the age of 18 who qualify for membership with APCI FCU. This is a convenient way to save for the benefit of a minor child while limiting the child's access to the account.

## APCI FCU Educational Tools

APCI FCU is proud to offer **Youth Financial Education Modules** to teach financial education to our young members. The modules are developed for 7th-12th grade students and feature relevant storylines, diverse characters, and fun interactions to engage students around critical financial topics.

Our **Kids Klub** is a special savings program for our members who are between the ages of 5 - 12. When kids turn 5, they are automatically part of the Klub!

Make financial education fun with these benefits:

- The Treasure Chest – our semi-annual newsletter just for kids.
- Birthday greeting and gift.\*
- Create a holiday ornament and receive a Savings Account credit.
- Kids Klub Xavier Loot Book Klub (annual opt-in required).