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# WHAT TO TEACH YOUR CHILD ABOUT MONEY

*A Biblical, Practical & Generational Guide for Parents*

## ■ **The Core Principle**

Why financial literacy starts at home, not at school

## ■ **The Three-Jar System**

Give • Save • Spend — start them young

## ■ **The Six Core Financial Skills**

Earning, giving, saving, spending, debt & investing

## ■ **Ages 3 to 17**

Stage-by-stage teaching framework for every season

## ■ **What to Model**

Children absorb what they observe more than what they hear

## ■ **8 Critical Principles**

With Scripture and wisdom to build authority and conviction

## ■ **The Biggest Mistakes**

What parents do that guarantees financial failure

## ■ **The Legacy Principle**

Generational wealth, trust funds & leaving an inheritance

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# WHAT TO TEACH YOUR CHILD ABOUT MONEY

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# WHAT TO TEACH YOUR CHILD ABOUT MONEY

*The Core Principle • Three-Jar System • Six Core Skills*

## THE CORE PRINCIPLE

Financial literacy is not taught in schools — it is taught at home. By age seven, children form money habits that last a lifetime. Your financial life is their curriculum. Every spending decision, every budget conversation, every giving act teaches them what money means. Model more than you teach.

## THE THREE-JAR SYSTEM (Ages 3–7)

Start with three jars: GIVE • SAVE • SPEND. Every dollar received gets divided among the three. Giving teaches generosity. Saving teaches delayed gratification. Spending teaches decision-making. Let them make bad spending decisions with small amounts while the stakes are low. A \$10 lesson at age five is cheaper than a \$20,000 credit card lesson in college.

*“A good man leaves an inheritance to his children’s children.” — Proverbs 13:22*

## WORK CREATES MONEY (Ages 8–12)

Basic chores — cleaning rooms, setting the table — are family citizenship. Extra chores — washing cars, yard work — earn money. Stop buying them everything. When they want something, ask: “How are you planning to save for it?” You are teaching that wants require planning and effort. The child who learns this at 10 will never be a victim of impulse spending at 30.

## THE SIX CORE FINANCIAL SKILLS (Teach at Every Age)

**1 Earning**  
Money comes from work, not wishes — chores, jobs, entrepreneurship.

**2 Giving**  
Tithe first. Generosity prevents greed and builds lasting character.

**3 Saving**  
Delayed gratification is the foundation of every financial win.

**4 Spending Wisely**  
Needs vs. wants. Quality vs. impulse. Every dollar is a decision.

**5 Avoiding Debt**  
Credit cards are traps. Cash is king. Debt is slavery, not strategy.

**6 Investing**  
Compound interest makes money work for you. Time is the real asset.

## WHAT TO TEACH YOUR CHILD ABOUT MONEY — Ages 13–17, Modelling & The Goal

### REAL-WORLD MANAGEMENT (Ages 13–17)

Give them a clothing budget and let them manage it entirely. If they blow it on one expensive item and have nothing left for school clothes, that is a \$200 lesson cheaper than the \$20,000 credit card lessons in college. Open a checking account together. Teach them to read statements, understand fees, and balance accounts. Show them how \$1,000 saved at age 16 compounds to \$10,000 by retirement. Make it visual.

### WHAT TO MODEL, NOT JUST TEACH

Talk about money decisions out loud. “We are eating out less this month to save for vacation.” Include them in age-appropriate financial discussions — vacation planning, car purchases, emergency fund use. Financial secrecy breeds financial ignorance. Transparency breeds financial competence.

If you and your spouse fight about money constantly, your children learn that money causes conflict. If you work together on financial goals, they learn money is a tool for building the life you want.

### THE BIGGEST MISTAKES PARENTS MAKE

#### **X Rescuing from consequences**

Bail-outs teach that someone will always fix their money problems.

#### **X Using money as love**

Buying out of guilt teaches that love equals spending.

#### **X Hiding all money stress**

Children need planning context — not adult financial anxiety.

#### **X Never letting them fail small**

Small failures at 8 prevent catastrophic failures at 28.

#### **X Giving without requiring**

Every dollar earned teaches dignity. Every gift without effort teaches entitlement.

#### **X Teaching by lecture, not life**

Children absorb what they observe far more than what they are told.

### THE GOAL: BY AGE 18

By age 18, your child should know how to budget, save for goals, understand compound interest, compare prices, and make spending decisions that align with their values. They should understand that money is a tool, not a measure of worth.

*“A good man leaves an inheritance to his children’s children.” — Proverbs 13:22*

**Wisdom: “You are not just raising a child. You are raising someone’s future spouse, someone’s future parent, and someone’s future financial legacy. What you deposit in them now, they will deposit in generations you will never meet.”**

## 8 CRITICAL PRINCIPLES — Principles 1–4

### 1 Never Use Money as Punishment or Reward

When you withhold allowance for bad behavior or pay for good grades, you teach children that money is emotional currency. They grow up using money to manipulate relationships — exactly what destroys marriages.

*“Train up a child in the way he should go; even when he is old he will not depart from it.” — Proverbs 22:6*

**Wisdom: “What you reward, you reproduce. What you punish with money, you corrupt with money.”**

### 2 Let Them See You Give

Don't just tell them to tithe — let them watch you write the check, make the transfer, drop the envelope. Generosity caught is more powerful than generosity taught. Children who see parents give sacrificially become adults who give generously.

*“Honor the Lord with your wealth and with the firstfruits of all your produce.” — Proverbs 3:9*

**Wisdom: “A child who watches their parent give sacrificially will give generously for a lifetime. A child who only hears about giving will give occasionally.”**

### 3 Teach the Difference Between an Asset and a Liability

A car loses value the moment you drive it off the lot. A house can appreciate. A business generates income. Stocks compound over decades. Most adults never learned this — which is why they spend their lives buying liabilities and calling it success.

*“The wise have wealth and luxury, but fools spend whatever they get.” — Proverbs 21:20 (NLT)*

**Wisdom: “The poor buy things. The middle class buy liabilities they think are assets. The wealthy buy assets. Teach your child the difference early.”**

### 4 Teach Them to Negotiate

This is a life skill schools never teach. Let them negotiate chores for extra money. Teach them to compare prices. Show them how to ask for a better deal. The child who learns to negotiate at 12 will never be financially victimized as an adult.

*“The plans of the diligent lead surely to abundance, but everyone who is hasty comes only to poverty.” — Proverbs 21:5*

**Wisdom: “Everything in life is a negotiation. The child who never learns to ask will spend a lifetime accepting whatever they are given.”**

## 8 CRITICAL PRINCIPLES — Principles 5–8

### 5 Show Them Your Budget

Age-appropriately, let them see the real numbers. Rent. Groceries. Utilities. Savings. Most children have no concept of what life costs — which is why they become adults shocked by reality and completely unprepared for independence.

*“Know well the condition of your flocks, and give attention to your herds.” — Proverbs 27:23*

**Wisdom: “A child raised in financial mystery becomes an adult living in financial chaos. Transparency at home builds competence in life.”**

### 6 Teach Them That Debt is Slavery — Not Normal

Culture normalizes debt. Car payments. Student loans. Credit cards. Your child needs to hear clearly and repeatedly: debt is not a financial tool — it is a trap. The goal is to own things, not owe things.

*“The rich rule over the poor, and the borrower is slave to the lender.” — Proverbs 22:7*

**Wisdom: “Debt feels like a solution on the day you sign and a sentence every day after. Teach your children to delay gratification rather than finance it.”**

### 7 Give Them a Taste of Investing Early

Open a custodial investment account. Buy one share of a company they love. Watch it together. Teach them what dividends are. The child who owns stock at 14 thinks like an investor for life.

*“Invest in seven ventures, yes, in eight; you do not know what disaster may come.” — Ecclesiastes 11:2*

**Wisdom: “The best time to plant a tree was 20 years ago. The second best time is today. Start your child’s investment education before they think they need it.”**

### 8 Teach Them That Enough is Enough

Contentment is the antidote to debt, greed, and financial destruction. Culture teaches the exact opposite every single day through advertising, social media, and peer pressure. Contentment is not a personality trait — it is a discipline that must be deliberately taught.

*“I have learned, in whatsoever state I am, to be content.” — Philippians 4:11 | “Godliness with contentment is great gain.” — 1 Timothy 6:6*

**Wisdom: “The person who knows when they have enough will never be enslaved by the pursuit of more.”**

## THE LEGACY PRINCIPLE — Generational Wealth & Final Checklist

### THE LEGACY PRINCIPLE

You are not just teaching your child about money. You are teaching them about responsibility, planning, and values. Building generational wealth means creating an economic foundation your children can build upon. Proverbs 13:22 says: “A good man leaves an inheritance to his children’s children.” Generational thinking requires sacrificing immediate consumption for long-term family benefit. Own your home. Invest consistently. Build multiple income streams.

**Wisdom: “You are not just raising a child. You are raising someone’s future financial legacy. What you deposit in them now, they will deposit in generations you will never meet.”**

### GENERATIONAL WEALTH TOOLS

529 education accounts and trust funds are powerful tools when used wisely. 529s offer tax-free growth for education expenses. Trusts protect assets and control distribution timing. Structure distributions with achievement-based milestones, not just age. Do not create entitled children who expect money without work. Generational wealth should launch children into purpose, not subsidize permanent dependence. Fund education, provide down payment assistance, give business capital — always requiring personal investment from them.

### QUICK SUMMARY — What Every Child Should Know Before Leaving Home

- ✓ How to create and follow a personal budget
- ✓ The difference between needs, wants, and investments
- ✓ How compound interest works and why starting early matters
- ✓ That debt is a trap — not a tool or a lifestyle
- ✓ How to tithe, give, save, and spend in the right order
- ✓ The difference between an asset and a liability
- ✓ How to negotiate, compare prices, and make wise decisions
- ✓ That contentment is a discipline — the foundation of financial peace
- ✓ That their financial legacy begins with the habits they build today