Let’s Learn about Money!
Teaching Young Children about Money

Children often see adults exchange coins and bills when they buy things. As children grow and start to make choices, they learn that people, things, and money have value. These concepts form the foundation for understanding the importance of spending, sharing, and saving. How to handle money and begin to make financial decisions are important life skills that can be taught as soon as children can count, along with the difference between a “want” and a “need.”

Developmental concepts regarding money...

for preschoolers
- Understand the idea of saving when they can see and touch the amount.
- See money as a way to get things they want.
- May think coins have more value than paper money.
- Understand what is theirs and what belongs to others.
- Cannot tell the difference between reality and TV commercials or shows.

for school-age children
- Identify and understand the differences between the appearances and values of coins.
- Understand how much money is needed to purchase an item and how to count change.
- Understand that money lost will not be replaced.
- Understand that things cost money.
- Understand that working or getting an allowance are ways to earn money.

Activities and strategies for guiding children as they learn about earning, spending, and saving money:

- **Let’s Go Shopping** – Set up a pretend grocery store where children can shop, with play food, empty food containers with prices, play money, and toy cash register. Children can shop for healthy breakfast or lunch items.

- **Going to the Bank** – Set up a pretend bank. Children can earn play money for chores or activities, open savings accounts, write checks, use debit cards, and take turns with different job roles such as customer, teller, and security guard. A field trip to the local bank can spark interest, questions, and ideas for play.

- **Let’s Go Out to Eat** – Set up a pretend restaurant where children can make and use menus with food items and prices listed. Children can take turns being the customer, wait staff, and other job roles.

- **Classroom Savings Jar** – Set up a clear jar for money donations from the children – brainstorm how they can make money (sell items they made, earn money at home from chores, or hold some event such as a bake sale). Discuss what goal they have for the money – a trip, a donation to an animal shelter, some special item for use in the classroom – and how much they need or would like to save.
Let’s Read Together

- **For younger, less independent readers** – Read aloud the book *Pigs Will Be Pigs* written by Amy Axelrod. Use the questions at the end of the book to discover hidden answers in the book, do a money hunt and look for money around your home or yard, or cook a meal together that might be ordered from the restaurant in the book.

- **For older or independent readers** – Read *Lunch Money* written by Andrew Clements. After reading the story, discuss with children how the main character’s parents encourage his interest in money, what kinds of conversations he had about money, and what strategies were used throughout the book to make decisions about his money and business. As a follow up, find out more with the children about coin collecting (http://www.usmint.gov).

Books for older children:
- 101 Ways to Bug Your Parents, by Lee Wardlaw
- Room One, by Andrew Clements
- The Get Rich Club, by Dan Gutman

Books for young children:
- The Berenstain Bears’ Trouble with Money, by Stan and Jan Berenstain
- Money Hungry Monkey, by Paul Peters
- One Cent, Two Cent, Old Cent, New Cent: All About Money, by Bonnie Worth
- If You Made a Million, by David M. Schwar

Other fun money activities to conduct with children:

$ Fill a jar with pennies and challenge children to estimate the amount, and then count to check.

¢ Research the people whose pictures are found on paper money and coins.

$ Read stories about money, spending, and saving.

¢ Discuss the cost and quality of name brand items versus store brand items.

$ Discuss products advertised in TV commercials.

¢ Discuss choices children have when they don’t have enough money to purchase something they wanted to buy.

Additional Resources:

