Financial Choices

There are times when you may have to cut back on family expenses. Deployment may mean a change in income. This is difficult for all and will affect every one in your family. Teach your child how to make good financial choices between things that are needs and things that are wants. Does your child know the difference? Remember, your child will learn from your example. So practice what you preach!

Families need to live within their means. Don’t keep family finances a secret. Don’t alarm your child, but be realistic about what you can afford. Teach your child how to budget. This can start by showing her how to save for something she wants. This is saving for a goal. You prioritize what you spend your money on and you can teach your child how to do this, too.

Explain what credit card spending really is. It may make it easier to get something faster, but the bill will come in later and need to be paid. Make sure your child understands this. Teach that using credit cards makes things cost more because credit card companies charge interest when you use them and explain what interest is.

You may not be able to change your income, but you can change what you spend your money on. When finances are tight, children should learn that you need to spend the money you have on necessities such as food and household bills. To show your child what your family values, teach what needs are and that needs are what you will spend your money on.

Here are some things that are nice to have but are not necessities, and suggestions of ways to deal with them:

- It’s nice to be able to eat out at a restaurant, but it saves money to cook and eat at home.
- You family may enjoy going to movies. Renting one or getting a free movie at the public library saves money.
- Fashionable clothing can be nice to have, but basic clothing needs can be met by purchasing lower cost items and even shopping at thrift stores.
- Kids do not need expensive toys to learn. Basics such as blocks, books, and balls are inexpensive and fun for all ages

Resources: Solutions, January 2011, Talking with Your Kids About Living on Less

For more information:

Money and the Military, Military Avenue.com

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