

KID\$ & MONEY



A newsletter for young people

WANT\$ VS. NEED\$

Knowing what to do with money is an important part of life. Your parents and the other adults around you influence your feelings about money. People spend money on many different things.

Where do you spend money? What you spend money on depends on your values. Values are feelings about what is important to you. They help you decide on your goals. Goals are things you want to achieve. Setting goals can help you get things you want to buy.

Values and goals change as you get older. When you were younger, your goal may have been to buy a new pair of jeans. Today, your goal may be to have a certain brand of jeans.

Setting goals is a way of making plans for your future. To reach your goals, you first must decide what you will need and want.

What is the difference between a need and a want? A want is something you would like to have, such as a bike, a new camera or a new Xbox game. A need is something that is necessary, such as food, clothing or shelter.

Sometimes wants do become needs. If you live out of town and play on a sports team, a bicycle could be a need. A pair of good basketball shoes for those participating in basketball games also could become a need.

To be good money managers, you must meet your needs before your wants. What would happen to you if your parents didn't buy bread and milk, only candy bars and soda?



List three **NEEDS**:

1. _____
2. _____
3. _____

Why are they needs?

List three **WANTS**:

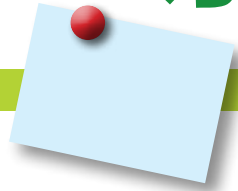
1. _____
2. _____
3. _____

Why are they wants?



MONEY AND YOUR KID\$

A newsletter for parents



WANT\$ VS. NEED\$

In our society, money is earned and exchanged for the majority of goods and services we need and want. Money decisions make a big difference in our lives.

Children are not born with money sense. Money management skills must be learned. Whether you realize it or not, what children see and hear at home highly influences their attitudes and values about money. The way parents insure themselves, discuss money, spend, borrow, save, share and invest will affect a child's value system concerning money.

Preteens begin to realize that money itself has no value, but it is needed to buy things they want. Fifth-graders are collectors. They want to save for specific things, usually one thing at a time. With continued practice, your fifth-grader will be able to save for bigger goals in the near future.

But how do you nurture that process at home? Be a good role model.

Effective money management is based on a realistic evaluation of individual and family needs, wants, values, goals and resources.

WANTS...

Designer jeans
New backpack
Nintendo Switch

NEEDS...

Gym socks
Bicycle chain
Lunch money

A need is something that is necessary, such as food, clothing or shelter. A want is something you would like to have, such as a new phone, video game or bike.

Do you catch yourself saying, "But I need that new phone"? Do you need or want it? To be effective money managers, you must meet your needs before satisfying your wants.

Go through the activity on the front page with your child. Keep these points in mind:

- Guide and supervise rather than dictate
- Praise positive points
- Help your child learn through mistakes as well as successes
- Be consistent
- Be flexible and realistic
- Be patient
- Respect the child's individuality

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