

Talking to Children About Money

GUIDELINES FOR PARENTS AFTER A DISASTER

GET CHILDREN INVOLVED

Disaster-related financial stress can take a toll on young children, especially when parents are busy with day-to-day recovery and clean-up.

While children's complaints may seem trivial in light of other problems at home, they often signal the need to talk about why the family must cut spending. Each family has to decide how much to tell their children about the family's financial situation. If children know how the family stands financially, they can better cooperate with the family spending plan. They also can better handle their own money.

Additional resources:

Your county family living agent, your local emergency government office, the American Red Cross, the Federal Emergency Management Agency

Related publications:

UW-Extension publications--

"Managing Between Jobs — Deciding Which Bills to Pay First," (B3459-3);

"Managing Between Jobs — Strategies for Spending less," (B3459-2);

"Managing Between Jobs — Talking with Creditors," (B3459-4);

"Making Ends Meet: Our Spending Plan," (B7760313).

Children can't help but be affected when the family cuts back on spending. So it makes sense that they are included in discussions about changes that will affect them.

- ◆ *Have family meetings to talk about money concerns.*
 - a) Offer information that children can understand without overwhelming them.
 - b) Encourage children to discuss their personal feelings and suggestions for handling the crisis.
 - c) Avoid judging and criticizing.
- ◆ *Explain financial issues in terms your children can understand.* For example, you can tell your daughter that you aren't spending \$100 to buy a new video game system because that same \$100 is needed for family groceries. Help children learn they can't buy everything they want, and that there is a difference between what they want and what they need.
- ◆ *Find ways that your children can help the family cut expenses.* Children can learn to comparison shop if parents point out unit prices, store brands and generic brands. At home, they can help compare prices in advertising flyers from different stores. Even young children can learn to turn off lights and appliances to save on energy costs. Older children can choose "free" activities with their friends, like going for a bike ride or to a park or library, rather than going places where money is needed, like a shopping center, video arcade or roller skating rink.
- ◆ *Refer to your family as a team.* Agree that together you can get through these tough financial times.