THE PARENTS' GUIDE TO TEACHING YOUR KIDS MONEY BASICS

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MYDOH™

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Raising financially literate kids is top of mind for many parents—and, for good reason. With just a tap of a card or click of a button, we can order pizza, invest in stocks, or purchase just about anything from plane tickets to a virtual outfit for your kid's Roblox avatar—without ever looking at the bank balance. Yikes! All these conveniences that put our needs and wants at our fingertips make life simpler and enjoyable, but also mean responsible money management is more essential than ever. Equipping your kids with the skills and knowledge to navigate this world of commerce can help ensure their financial security well into adulthood.

Yet how well do your kids understand money (outside of knowing who to ask for it when they want to buy something)? While teaching kids skills like how to score a goal, or play the piano are beneficial to your child's personal development, passing along money smarts is equally important. But where do you start? It's easy to find hockey leagues for all ages, but accounting lessons for toddlers? Not so much.

Thankfully, raising financially literate kids and teens isn't rocket science. In fact, teaching them about money can start as soon as kids are old enough to ask for a treat at the grocery store checkout. As parents, you can help guide that

budding relationship with money to ensure they develop healthy spending and saving habits in preparation for adulthood when the financial stakes are much higher—think mortgage, car payments, and household bills!

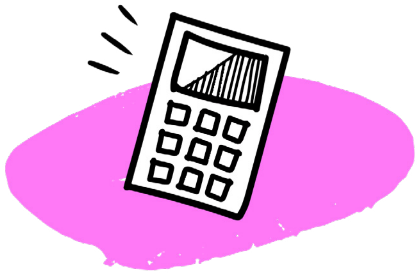
That being said, there’s a lot of ground to cover as kids mature and their experience with money expands. We’ve created this guide to help you along the way with useful ideas and strategies you can incorporate into your kids’ everyday experiences.

This Guide to Teaching Kids Money Basics explains:

- ✓ The main components of financial literacy and why they’re important
- ✓ The many benefits to kids who learn money smarts
- ✓ Tips on how to weave financial skills into everyday experiences and conversations
- ✓ Age-based suggestions on how to best teach financial literacy
- ✓ Fun games that help kids develop financial know-how

CHAPTER 1

WHAT IS FINANCIAL LITERACY?



WHAT IS FINANCIAL LITERACY?

Financial literacy means how knowledgeable you are about money—how it operates in your life and society, as well as your ability to make responsible financial decisions based on that knowledge. It covers a broad range of concepts from earning, saving, and spending money to more complex ideas such as investing, borrowing, budgeting, and taxation.

Introducing basic financial literacy to kids from a young age probably comes naturally to most parents. After all, spending money is an almost daily occurrence. Even if your kids don't make the purchase, they witness it—and soon learn the value of asking you to buy them something too! The reality is, your kids will learn about money one way or another. So, it makes sense to guide their experiences to help them develop the confidence to control their finances as they journey toward adulthood.

WHAT ARE THE KEY COMPONENTS OF FINANCIAL LITERACY?

Learning the ins and outs of money is a lifelong journey for many of us. As our lives change, so do our needs and our relationship with money. That's why it's so important to familiarize your kids and teens with the different aspects of financial literacy. Over time, their level of understanding will grow, as should their ability to adjust their financial strategies in tandem with their evolving needs.

Here are the key components of financial literacy to introduce to your kids over time:

1 Maximizing your earnings

A new concept for kids who have yet to earn a pay cheque, earning money is the jumping off point for many facets of personal finance, such as saving, buying, investing, and budgeting. The experience of earning money is also empowering—a financial reward for hard work that offers a sweet taste of independence for

kids who may be used to hearing “yes” or “no” for anything they want to buy. From choosing what snacks to buy at lunch to saving up for those earbuds you said you wouldn’t buy, kids can enjoy greater decision-making power.

As kids start to make (and spend) their own money, they quickly discover how much things cost which can drive them to want to earn even more. To buy the high-end sneakers that dropped last week rather than the ones on the clearance rack, your teen may ask to do extra chores to hit their savings goal sooner—or decide that spending less is a more practical option. These experiences are key to building kids’ financial literacy. They also can lead to a broader understanding of how income impacts households, and why some people can afford a lot, yet others can’t.

Most of us receive our pay through online deposits, rather than a paycheque. Should you do the same for your child? Mimicking real world practices such as depositing allowance payments through an app, like Mydoh, helps kids develop healthy money habits, such as regularly reviewing their bank balance and transactions online. However, young kids may benefit from a more hands-on approach, such as paying in dollars and cents to count and save in a jar or piggy bank.

As teens approach adulthood and earn money through part-time jobs or starting a business, they’re exposed to more complex concepts such as income taxes and payroll deductions. They may even develop a penchant for investing to increase their personal earnings.

2 Spending money wisely

Spending money can be thrilling one day, and stressful the next—all depending on what you're buying and how much you have in your wallet to pay for it! This is the balancing act that comes with spending wisely and learning to live within your means. However, teaching this valuable life skill can be challenging in our era of one-click purchases and same-day delivery.

It's easy to lose track of what you've bought, only to discover the money has run out when you need it most. Learning how to avoid this as a kid—when mistakes are less costly—can help them avoid more serious debt challenges in adulthood.

Distinguishing between needs and wants is crucial to helping your kids think critically about their purchases (and hitting the pause button before the buy button). There's no better way to learn this concept than through personal experience. Whether it's a bag of potato chips or a video game, a new hoodie or a donation to a charity, allowing your kid or teen to experiment with different purchases using their own money allows them to experience a full spectrum of outcomes, including the cringe-worthy ones.

Haven't we all, at one time, spent our piggy bank savings on a jumbo bag of candy or, more recently, ordered an item that looked awesome online but was a massive disappointment (and not returnable) when it showed up at your doorstep?

From the thrill of buying a video game console they've saved up for, to the regret from spending too much on a drone that breaks a week later, kids learn the emotional and financial impact of their spending choices. This helps them learn to think through their purchases—a skill that will come in handy when faced with more impactful financial decisions later in life, such as buying a new home or leasing a car.

Also important is your child's capacity to recognize that not all products are created equally. The cheapest isn't always the best option, nor is the most expensive, either. Money smart kids learn to ask critical questions about price, quality, and sustainability—how is a product made? What do other consumers say about it? Is it environmentally-friendly? How are the company employees treated and paid?

3 Building saving habits

Saving is the act of setting aside money to spend in the future—a simple concept that can be difficult to do. Kids benefit from learning how to save from a young age, as it teaches them delayed gratification and is great practice for distinguishing needs vs. wants.

Financial experts emphasize the importance of having an emergency fund, as well as saving for long-term goals such as post-secondary studies, buying a home, or retirement. Unfortunately, spending is often a lot more enjoyable than saving, so helping your child develop a savings mindset is critical to smart money management through the teen years and well into adulthood.

It's true that some kids take longer to appreciate the value of saving than others. While some are natural savers, others may prefer spending every dollar they earn. As a parent, consider adjusting your expectations and demands to each personality. After all, you want your kids to learn money saving habits that they can maintain even after they leave home.

Helping your kids set goals can motivate the desire to save—no matter their natural inclination. For some kids, using two jars (one for spending and one for saving) along with real cash helps visualize their efforts. For larger savings, a bank account that earns interest may be the better choice. Mydoh also makes saving for a goal easier with the in-app Savings Goals feature. Kids can set a goal with a dollar amount, then put money towards that goal. The funds are protected until your child transfers their money into their spending wallet.

4 Investing for the future

Through investing, kids and teens can discover the process of earning money on their savings through various investment options like high yield savings accounts, GICs, savings bonds, mutual funds, and stocks. Financial experts agree the longer funds stay invested, the higher the earning potential thanks to the power of compound interest. Teaching your kids this basic tenet of financial literacy could encourage them to set aside savings now, rather than wait until adulthood.

5 Borrowing money responsibly

Most of us eventually borrow money at some point in our lives. And, while your kids and teens won't likely take on a loan any time soon, learning the ins and outs of borrowing money can help prepare them to manage debt when that time arrives.

The most important lesson in borrowing is that you eventually need to pay it back. Obvious as this is, debt can snowball for individuals who accumulate it without a clear plan to pay it down. Unfortunately, the cost of delaying those payments can be financially crippling.

Teaching kids about interest rates, and how they vary depending on the type of loan, can prepare them for the day they require credit to cover large expenses, such as an unexpected car repair or a mortgage.

For many kids, their first experience with debt will be a student loan or a credit card—both readily available to university or college students. Unfortunately, those new credit cards don't come with a course on responsible debt management. Make sure your kids know how their credit card use affects their credit score and may even influence their negotiating power with a bank if they apply for a mortgage or line of credit later on.

6 Protecting online finances

With so much of our lives gone digital, it's no surprise that our personal finances also are predominantly online. From ecommerce purchases to personal banking to digital subscriptions, it's not hard to imagine a savvy hacker accessing someone's financial data if proper safeguards aren't in place.

Since most kids are online from a young age, it makes sense to address the importance of online privacy to your kids early. Teaching appropriate protocols to establish safe online habits should start early. As kids get older, it's much harder to monitor what they're exposed to online. Continue to keep them updated on the latest hacker schemes, reminding them to be wary of clicking on links sent via direct message, text, or email.

Your credit card information is vulnerable if it's stored in video game platforms and sites such as Amazon and Apple. Your kids should be reminded to never share passwords with anyone, and explain that such purchases use real money that ultimately come out of your bank account.

7 Giving money to others

Philanthropy through charitable donations is an important part of financial literacy. Whether it's an invitation to donate at a store checkout, a kid-friendly fundraiser, or a family decision to donate to a charity over the holidays, there are ample opportunities for parents to role model and encourage charitable giving. Introducing your kids to the concept of giving back helps instill a lifelong desire to share earnings with organizations that support charitable causes.

Teaching kids how to give may take practice, but the rewards are well worth it. Giving helps build empathy and makes us feel good. Your kids can get a self-esteem boost when they help others in need and develop a strong sense of responsibility for their community, country, and even the Earth.

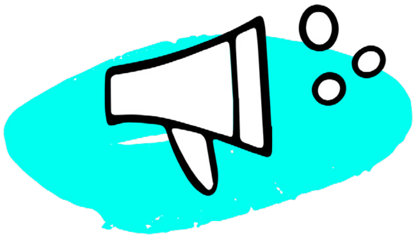
Sometimes it can be hard for kids to allocate a portion of their hard-earned funds to something other than their own wishes. Rather than force kids and teens to donate (potentially with resentment) discuss different causes to determine what resonates personally with them. Do they feel more compelled to help kids their own age? Are they passionate about the environment? Would they prefer to take part in a fundraiser rather than simply donate money?

Whether it's through their allowance, monetary gifts from birthdays or holidays, or creative fundraising ideas, encourage them to set aside an amount to donate periodically. One way to ease kids into this habit is to set up a system to split their allowance into categories: spend, save, and give.

CHAPTER 2

10 REASONS WHY YOU SHOULD TEACH MONEY BASICS TO YOUR KIDS AND TEENS

Don't expect your kids to be all ears every time you start espousing practical money advice. In fact, teaching financial literacy to kids with a freshly earned wad of cash in their wallet can be downright difficult once they've set their sights on a dreamy new item. But, with a variety of methods, an open mind, and consistency, your efforts will pay off. Here are 10 ways your kids and teens can benefit from learning financial literacy:



1 They'll be armed with accurate financial information

Kids are learning about how to manage money—whether you teach it to them or not—through friends, social media, TV, movies, school, and their own trial and error. Help cut through all the noise and potential misinformation with money smart guidance at home. You can help kids make sense of all the conflicting messages they get outside of the home, while modelling your own values with regard to money.

2 Helps them distinguish between needs vs. wants

Distinguishing between a need and a want is essential to sticking to a budget and reaching long term financial goals. Since impulse buying is easier than ever via smart phones, the sooner your kids learn to recognize the difference between what they want and what they need, the better equipped they'll be to curb those unnecessary purchases—improving their self-discipline in the process.

3 Teaches them the value of money

Let's face it, money is mostly valued for what it can buy. Kids recognize this quickly when they earn and spend their own cash—a useful way to practice money management. But that's not all they'll discover. Kids who work for their pay gain an appreciation for the effort that is behind every dollar earned—whether through chores,

a part-time job, or being a contributing member of the family household. Additionally, when their hard-earned dollars go toward a purchase, kids are more likely to take care of it.

4 Helps them establish savvy shopping habits

We live in a consumer culture and learning to be a savvy shopper is key to managing personal finances. Teaching kids how to compare prices and quality can help them make wise purchases and stick to a budget. Money smart kids and teens who are raised to view marketing with a critical eye may be better equipped to resist impulsive purchases.

5 Encourages financial independence but with a safety net

Kids can learn the rewards and challenges of managing their own money without all the real-life consequences that come with adulthood. When your kids earn their own cash and are empowered to spend and save as they wish, they test out financial independence along with its ups and downs. But you're there to help them make responsible decisions, and be available when they make mistakes (trust us, they will). While it's useful to learn from their own errors, there are times when bailing them out of a negative outcome may be necessary.

6 Helps prepare them for managing debt

While avoiding debt is an ideal scenario, it's usually not practical. Most people eventually take on some level of debt to juggle life's major expenses, making the ability to manage it an imperative part of financial literacy. Teaching your kids about debt can help them recognize the value of credit, along with the tremendous responsibility that comes with the debt it incurs.

7 They'll be able to spot financial scams and hackers

Living offline is not a viable possibility for kids and teens today. Along with the wonderful opportunities to learn about and practice money smarts online, there are also dangers. Teaching your kids how to spot financial scams through email, texts, social media, or websites can help prevent them from sharing critical personal financial information that may lead to fraud, identity theft, and more.

8 Helps curb emotion-based financial decisions

Money—how we earn, spend, and save it—can be emotionally charged. Even as adults, our financial choices can be swayed, if not carried away, by our emotions. However, financial decisions that are too heavily influenced by emotions can stymie efforts to reach financial goals—remember the last time you splurged on a pair of shoes for a pick-me-up, then balked at your credit card bill a month later? When you equip your kids and teens with financial know-how early in life, they're more likely to base financial decisions on knowledge rather than emotional impulse.

9 They'll benefit from long-term investing

As any financial expert will attest, the longer you can keep your money invested, the more you can earn. And what do kids have more of than adults? Time. Getting your kids on board with this basic tenet of investing over the long term can help them develop the habit of diverting a portion of earnings to an investment account from a young age. They will reap the benefit of compound interest later in life.

10 Builds comfort in discussing money

Not everyone is comfortable discussing money despite the tremendous impact it has on our lives. Financially literate kids who grow up accustomed to frank discussions about money are more likely to develop the confidence to discuss personal finances with others, and to advocate for themselves when necessary. From resisting peer pressure to buy takeout when they can't afford it, to negotiating a salary, to making joint purchases with their spouse, discussing finance is an essential aspect of smart money management through the teen years and into adulthood.

CHAPTER 3

PRACTICAL TIPS TO TEACH KIDS AND TEENS FINANCIAL LITERACY

Raising financially literate kids makes sense, but you may wonder how to succeed at it when it's already a struggle to get your kid to make the bed, complete homework, and walk the dog. Now you have to teach kids about finance—a topic long associated with stock market charts and financial advisors.

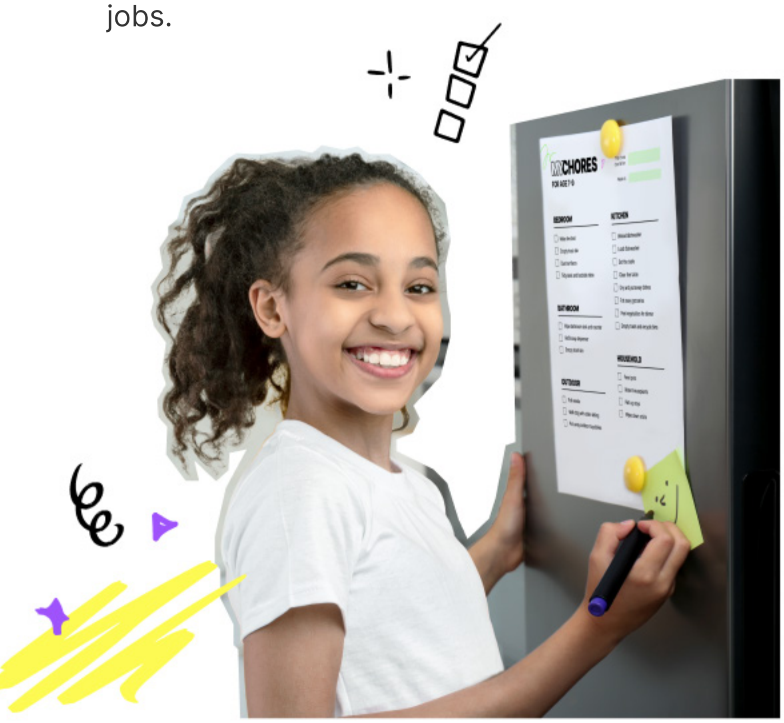
No need to despair. There are plenty of ways to weave financial literacy into everyday experiences and conversations without turning it into a long-winded lesson in economics.

You're not looking to turn your kids into financial whizzes overnight, after all. As you've likely learned through your own trials and errors, learning how to manage money can take years—some might argue the learning never ends.

Here, we list eight practical ways to teach kids and teens about financial literacy:

1 Give kids the opportunity to earn money

Learning about money can be a lot more fun for kids who earn an income. Paying an allowance through household tasks is an easy way to give them hands-on experience in spending and saving. Whether it's a chore chart posted on the refrigerator or in a kid-friendly app like Mydoh, find the best method for your family to assign tasks and provide an allowance. As kids get older, you can offer them opportunities to earn more money through extra tasks and responsibilities, and help teens find part-time jobs.



2 Have them set a savings goal

Setting a goal is an easy way to teach your kids how to save. Even young kids can reach a small savings target with the promise of a reward, such as a trip to the toy store to spend their savings. For older kids and teens, motivation to pay for bigger items, like a smartphone, piece of jewellery or video game console, makes setting savings goals practical and achievable. With experience, kids should develop the ability to look further ahead to see how their actions today can help or hinder their goals in coming weeks, months, and years.

3 Talk with them openly about finances

Create an atmosphere in your household that encourages discussion about finances. If money is a sensitive topic, kids may be less likely to ask questions, admit mistakes, or be interested in finance. Kids and teens who are comfortable discussing finances may also be better equipped to withstand peer pressure to spend money when they can't afford it, such as upgrading their smartphone or shopping for prom dresses. While you don't want to share all your financial pressures (there's no point in stressing your kids out), you can help kids make the connection between how they live and what things cost by showing monthly bills for mobile phones, the internet, water, and heating.

4 Be a financial role model

Whether we like it or not, kids are more likely to model our behaviours than listen to our advice. To help your kids develop healthy spending and saving habits, be mindful of your own financial choices. Efforts to teach your kids the value of saving may fall flat if they see you enthusiastically unboxing new packages almost daily. Sharing some of your past financial missteps (even if it was just last week) can help your kids understand the consequences of poor money management, and thus help prevent them from making similar mistakes.

5 Let your kids make money mistakes

We all make mistakes when it comes to money. Your kids will be no different. One of the best ways to learn to avoid poor financial decisions is to experience what happens when you do. Whether your child pays too much for a toy that breaks after one use, buys too much candy, or splurges on a hoodie they loved at the moment but never wore, each offers a learning opportunity. Resist your temptation to swoop in and rescue your kids when they make poor money decisions. Let them learn money is a finite resource and once they've spent it, it's gone.

6 Accept each child's unique "money" personality

Does one of your kids save every dollar and only spend after careful calculation, while another runs out of money before the next allowance rolls in? We each have our own unique personality traits that impact our relationship with money. Some are natural savers, while others struggle to curb their splurge impulse. Despite your efforts to teach certain concepts, kids will learn at their own pace and through their own consequences. While there will be times you need to step in, don't be afraid to let them experiment according to their natural inclination. It's important that kids develop financial habits that accommodate their unique personalities.

7 Model giving to others

Teaching kids how to give may take practice, but the rewards are well worth it. Giving makes us feel good and builds empathy. Of course, you can role model charitable giving, but should also encourage kids and teens to give from their own allowance. From dropping coins into a charity donation box to attending a fundraiser as a family to choosing one charity as a family to donate to.

8 Use real life examples

Kids are observant and ask questions to make sense of the world around them. Don't shy away from discussing the financial side of things, such as how much houses sell for, the rising costs of groceries, and even the salaries of different careers. Thanks to social media, the topic of money is more openly discussed than ever before. Influencers share their million-dollar-plus incomes, while lucrative contracts of superstar athletes are highly publicized. You can help provide a more balanced perception on what it takes to earn a living, which can also help motivate kids and teens to work hard and even guide their career aspirations.

CHAPTER 4

AN AGE-BY-AGE GUIDE TO TEACHING KIDS AND TEENS ABOUT MONEY

Ready to start teaching financial literacy to your kids, but not sure where to start? From counting games for youngsters, to planning investments with teens, there are countless ways to raise financially savvy kids—no matter what age you start. Here are ideas to jumpstart (or expand) your efforts to teach kids money smarts, broken down by age group. Keep in mind, this is not an exhaustive list. Feel free to pick and choose suggestions that best fit your kids' level of knowledge and interest, adding your own as learning opportunities arise.

ACTIVITIES THAT TEACH FINANCIAL LITERACY TO KIDS AGED 4 TO 6

Even at a young age, kids grasp how money works, making this an ideal time to expand on basic money concepts like exchanging money for goods, saving to reach a goal, and charitable giving. Keeping it fun and simple helps open the door to healthy communications about money as they grow older.

1 Count coins

Grab a stack of change to teach the names and values of different coins, encouraging your child to stack, count, and name them. Ask them to provide you change, like a quarter for two dimes and a nickel, to deepen their understanding of a coin's value.

2 Play shop

Set up an imaginary shop with items from around the house so kids can select and pay for items they want using real or pretend money. You can also give them a pretend credit or debit card to 'tap' or 'swipe' and teach how purchases are made without the exchange of physical dollars and coins.

3 Pay at the grocery checkout

Bring your child to the grocery store and when you hand cash or debit to the cashier, explain how you're paying for the groceries that were rung through. You can invite your child to hand the money or tap your card. If it's a debit card, explain that the money is being taken out of your bank account and that, no, groceries are not free!

4 Use a piggy bank

Set up a piggy bank or saving jar in your child's bedroom to drop coins they've earned through small tasks around the house, from birthday gifts, and more. Encourage your child to count out their money every time they add to their savings to see how much it's grown. Set a goal to purchase something small with their savings.

5 Give to others

Invite your child to drop loonies and twoonies in a donation box during shopping excursions, explaining how their contribution helps important causes. Encourage them to donate their old toys, books, or clothes to a charity so that other kids can enjoy them.

ACTIVITIES THAT TEACH FINANCIAL LITERACY TO KIDS AGED 7 TO 9

Kids in this age range have advanced their problem-solving skills, can concentrate longer, and are more independent. You can ramp up your efforts to deepen their financial literacy with real life experience such as independently making purchases, earning an allowance, staying safe online, and understanding good value for their dollar. By this age, if your kids are spending a lot of time online, discussions about the influence of marketing can sharpen critical thinking skills and help curb impulse spending.

1 Make a purchase independently

Let your child purchase items as you supervise from afar. This exciting act of independence offers the added safety of you nearby to boost their confidence. Later, review the receipt together to describe how items tally up, tax, and method of payment.

2 Pay an allowance for chores

Introduce a chore-based allowance starting with basic household duties that need to be completed weekly to earn a predetermined amount of money. Using an app like Mydoh makes it easy to track tasks and payments on a digital platform that helps familiarize your kids with online banking.

3 Visit a brick-and-mortar bank

Visit the bank, in person, to open a savings account for your child. Encourage them to save up some money for their very first deposit.

4 Introduce saving jars

For kids who prefer a more hands-on approach to learning about finances, give them three saving jars to get them used to responsibly allocating their earnings: one for saving, one for spending, and one for sharing (charitable giving).

5 Online shopping

When you shop online, invite your child to watch as you go through a typical ecommerce process. Explain how you compare products, add items to cart, review the costs that make up the total, and checkout.

6 Comparison shop

When you're out shopping, explain how you compare brands by factors such as price, volume, and quality to get the best value. Point out products that are on sale and ask them to help calculate the savings.

7 Stick to a budget

Visit a favourite store and let your kids purchase anything they want with their savings, as long as it's within the budget. Try not to sway them too much from making a purchase you don't think is good value for their dollar. It's important to let them learn on their own. Instead, ask questions to get them thinking on their own.

8 Encourage a charitable mindset

Help your child develop a charitable mindset by talking about different charitable causes. Find out what your child feels passionate about. Child

poverty? The environment? Caring for the sick? This may spark a desire to support a particular charity through a donation, and the realization we can help others in need through the simple act of donating.

9 Explain virtual vs. in-person purchases

Explain the difference between buying things virtually and in-person. Today, just about every online video game has an ecommerce function encouraging users to buy virtual products to improve the game experience. When kids start asking to buy goodies for their video game avatar, it's time to compare virtual goods with physical goods: "The amount you want to spend on your avatar's makeover equals $20 in real life, which is the same cost as the toy you asked for at the store last week. Which one do you prefer?"

ACTIVITIES THAT TEACH FINANCIAL LITERACY TO KIDS AGED 10 TO 12

Kids in this age group are on the cusp of adolescence and developing greater independence as they identify their own unique interests and skills. As they become more self-conscious, they may draw comparisons among peers to figure out where they fit in. Their list of wants may grow more specific, but they're also able to budget for what they want if they're earning an allowance or saving birthday money.

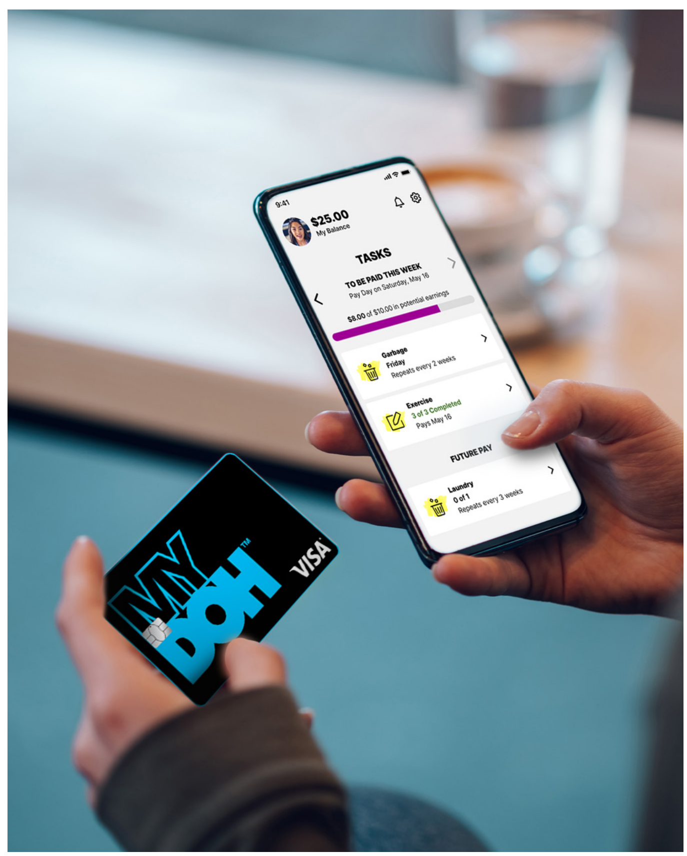
Parents may need to let go of some control to allow kids to make mistakes with their money and learn natural consequences. This is an opportune time to help kids grow comfortable discussing money and confidence in how they use it, introducing more advanced financial concepts like budgeting and investing.

1 Earn more money

In addition to a regular allowance and weekly chores, provide opportunities to earn extra income through additional tasks around the house to boost their savings and help them reach their savings goals more quickly.

2 Introduce a debit card

Strengthen your kids' financial independence with a debit card. Alternatively, a kid-friendly app, like Mydoh, provides kids with their own Smart Cash Card—a reloadable prepaid card that can be used in-person and online. This is also a good time to teach your kids why it's important to check their bank balance regularly.



3 Discuss money at the dinner table

Spark lively dinner discussion about money. Encourage questions and be open to exploring all goals related to money—no matter how outlandish they may seem (like I want to be a millionaire YouTuber or I want my first car to be a Lamborghini). Use these as opportunities to discuss cost of living, incomes, savings, and more. The more kids can relate personal finance to their own dreams, the more inspired they'll be to make money smart decisions that help achieve those aspirations.

4 Level-up their online safety

As kids spend more time online, it becomes harder to keep track of their digital habits. Level up their online safety know-how. Teach them how to protect account information and passwords, and emphasize the danger of opening links on a website or in messages (no matter how tempting they may be to click), even if they appear to be from a friend or trusted business like a bank.

5 Donate to their favourite charity

Now that you're talking about money at dinner, bring up the topic of charitable organizations. Discuss and investigate different charities and select one that the entire family can support—either through one big donation everyone contributes to, or monthly donations which can keep the conversation going all year if the organization provides updates.

6 Introduce investing

Learning to invest could reap serious rewards. Introduce kids to investing by explaining some of the basics, such as how the stock market works, and how compound interest can help grow their savings.

7 Practice crunching the numbers

Introduce the concept of a budget and how it works. Encourage your child to choose an item they want to purchase to highlight the usefulness of setting a financial goal and

developing a basic plan to attain it. The plan may include weekly savings needed, extra income opportunities such as chores, and a timeline. Mydoh's money calculator can help them calculate how much they can save based on how much they earn and spend.

ACTIVITIES THAT TEACH FINANCIAL LITERACY TO TEENS AGED 13 TO 16

As kids progress through the teen years, they crave more independence and responsibility. They better understand the benefit of earning their own money to pay for the things they want and are often motivated to work a part-time job to boost their autonomy. Your teen is capable, and often willing, to look farther into the future with more concrete aspirations, such as post-secondary studies and careers.

Helping them develop the financial savvy to prepare for their future is key. In only a few years, your teen may be ready to live independently, so this is a crucial period to set up smart money habits and build financial confidence. Peers and social media can have a tremendous influence on your teen, including how they earn, spend, and save money. Be sure to continue to build on your teen's financial literacy in a supportive way—finding the right balance between their desire for autonomy and responsible savings habits.

1 Make informed purchases

Encourage your teen to research before making large purchases by comparing prices and reading online reviews. With a broader understanding of the world's issues, you can also encourage them to consider how a product choice may impact the environment, and whether they're willing to pay more for a product that's made sustainably.

2 Try a practice investment account

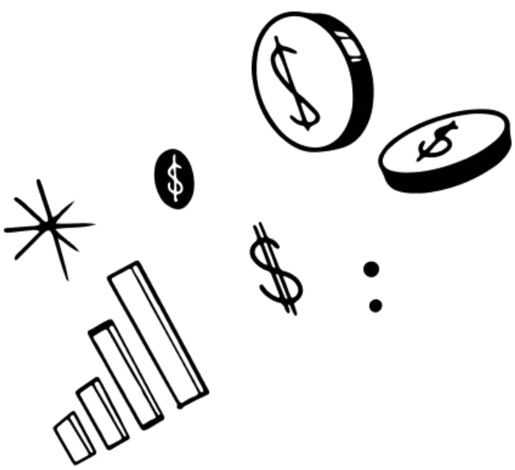
Encourage your teen's interest in investing by discussing the different types of investments, such as mutual funds, ETFs, TFSAs, and risk tolerance. This may not appeal to every teen, so gauge the level of interest rather than force it. Some banks, such as RBC, offer practice accounts where teens can try their hand at buying and selling stocks and ETFs, track their holdings, and view performance in real time.

3 Pay the household bills

Don't be afraid to share some of your bills with your teen to provide a sense of what it costs to run a household today. It will likely come as a surprise when they discover the various payments due each month to cover services such as a phone plan, internet, heating, car insurance, and more. Arming your teen with this knowledge can help instill good habits such as budgeting, energy conservation, taking care of possessions to avoid replacement costs, and even driving more carefully.

4 Create a real-world budget

Once your teen starts thinking about post-secondary plans or career choices, they need to get real about the costs. How much does an average first year cost? How much will your teen need to contribute? How much do different programs cost? These discussions can help determine how much your teen needs to save, along with a plan to meet that goal within a certain time frame—in essence a real-world budget.



5 Track expenses

It's easy to lose track of how much money you spend when almost every transaction is online. Gone are the days when an empty wallet meant no spending. Help your teen develop a better awareness of spending habits by reviewing where the money is going. Teens can review their past transactions through their online bank account and divide expenses into categories such as, takeout, clothes, and video games. Ask them to report back to you on what they learned. The exercise can be enlightening for teens who struggle to keep a balance above zero, regardless of how much money is earned, and may jumpstart efforts to spend more wisely all on their own.

6 Discuss credit card debt

Once your teen starts post-secondary studies, they may want to get a credit card. But don't wait until then to teach responsible credit card use. Although making mistakes is an important part of learning financial literacy, irresponsible credit card use can be extremely costly, and may cause long-term damage to credit scores. Share your credit card statements with your teen and explain that the balance should be paid in full each month to avoid paying high interest rates that add a lot more cost to that bracelet or pair of sneakers that was a fun splurge.

7 Encourage them to start a business

Have an entrepreneurial teen? Whether it's mowing lawns, babysitting, computer programming, or launching an ecommerce shop, running a business is fertile ground for learning about finance and economics. It can provide real life experience in supply and demand, managing debt, investing, and more. You can encourage this in various ways, including providing a small loan, reviewing their business plan, and marketing through word-of-mouth.

CHAPTER 5

8 GAMES THAT CAN TEACH KIDS AND TEENS ABOUT MONEY

Family game night can offer more than a fun bonding activity. Did you know some games build financial literacy, as well? Here we list eight fun games your kids can enjoy with friends, family, and even on their own.


PLAY!

1 Monopoly

There's a reason why this game has been around for so long (since the 1930s!) Monopoly is a fun, yet competitive game, that crosses ages and generations. Young kids can learn how to count, add, and subtract money—using their own stash or as the banker—and are introduced to concepts such as home ownership, taxes, and mortgages. While your kids won't become real estate gurus no matter how many times they win, it's a fun way to familiarize kids with some financial basics. Monopoly Junior is a simpler version of this classic game and ideal for kids aged five and up.

Number of players: 2 to 6
Age range: 8 and up

2 Pay Day

In this quick-fire game, players earn a paycheque, pay bills, and make deals on property. But they need to ensure they don't spend money as quickly as they earn it. The game helps kids understand the concept of earning money along with the responsibilities of paying bills and making sure there's still money at the end of the month.

Number of players: 2 to 4
Age range: 8 and up

3 The Game of Life

This classic game mimics real life as players go through the typical life stages as they age. As kids progress through the game, they make decisions on going to college, choosing a career path, starting a family, and managing typical life surprises. The object is simple: the player with the most money at the end of the game wins. While there's little strategy to the game, kids learn to appreciate how decisions can impact their life journey.

Number of players: 2 to 4
Age range: 8 and up

4 Act Your Wage

In the Act Your Wage board game, kids learn the importance of earning a salary, paying bills, saving, and paying down debt. The objective of the game is to be the first to get out of debt and yell "I'm debt free!" The fun game teaches kids the importance of saving, maintaining an emergency fund, and minimizing expenses.

Number of players: 2 to 4
Age range: 10 and up

5 Money Bags Game

This game is a fun way for young kids to learn how to count money and make change. The challenge is in providing the correct amount of change without the use of certain coins, such as making change for a quarter without using dimes. Recommended for ages seven and up, but with some parental guidance, younger kids will love this game too.

Number of players: 2 to 4
Age range: 7 and up

6 The Stock Exchange Game

This board game has been compared to Monopoly because it has a similar style of play but with a heavier focus on investing. Each trip around the board is akin to one year in your life. Players purchase risky assets that offer higher returns, as well as sell off higher-risk stocks for safer investments. Kids learn the basic premise of investing and can have fun "playing the market" to turn a profit. The family fun level of play offers the most basic style of the game, with more advanced levels available.

Number of players: 2 to 6
Age range: 10 and up

7 Roblox

Roblox is a popular online gaming platform where kids can play games designed by other users as well as create and share their own games. Players can visit theme parks, star in fashion shows, race cars, or create their own style of game. Because you can purchase virtual items, such as animations for your avatar, and unique abilities, kids learn lessons about spending and saving. There's even a name for the currency: Robux (as in, ro-"bucks"). You can buy Robux (with real money), get them through a membership, trade for them, or have them donated to you. Be sure to teach your kids that virtual items cost real money and set up a system to prevent or track what kids purchase.

Age range: 10 and up

8 Animal Crossing

Animal Crossing is a Nintendo Switch video game in which the player moves to a deserted island to create a personal paradise. Money plays a significant role to buy and sell items, take out a mortgage, and earn money—all to customize your own perfect island community. It can help kids recognize that earning money takes hard work and the importance of saving to purchase what's important. Through the game, kids build infrastructure, hire employees, and make investments in the "stalk market" in which turnips are bought and sold as prices fluctuate. Up to eight players can live on the same island within one game.

Age range: 6 and up

PREPARE YOUR KIDS FOR A FINANCIALLY SECURE FUTURE

Learning how to be responsible with money is like any life skill – it gets stronger with proper guidance, personal experience, and commitment to learn. You can help your kids and teens sharpen their money smarts while they're young, so they're better prepared for the financial challenges that inevitably arrive with adulthood.