

## CUT IT OUT! – Allowance

If your child is old enough to have money and not eat it, he should probably be getting an allowance. Allowance is a set sum of money that is given to your child on a regular basis. If you are holding back on giving allowance, you might want to CUT IT OUT! The world of money is complex and it takes time for children to understand that money doesn't just pop out of a bank machine.

When children are young, they should be given actual cash so that they can learn to do the math. Young kids will be delighted if they pay a dollar for something and get five coins back. It takes time to understand the difference between a penny and a looney.

Older children can be given a bank card and go through a period of learning how to use that card responsibly.

As kids get older, they should be able to spend their money on items that they want to buy without too many restrictions from parents. If they spend their money on something foolish, they will learn that they have to wait before they can buy something else.

Parents must refrain from being a visa mom or dad and allow the natural consequences of not having money to unfold.

The amount of the allowance depends on the child's age and what you expect him to be responsible for buying.

Do not pay allowance conditional on doing regular household chores, they do those because they are contributing to the family.

Do not take allowance away as a punishment or give it as a reward otherwise, the allowance might not exist at all and kids won't be able to count on that regular sum of money to learn. Better that kids make their mistakes when the lessons are cheap than waiting until they have a credit card or a mortgage to pay.

