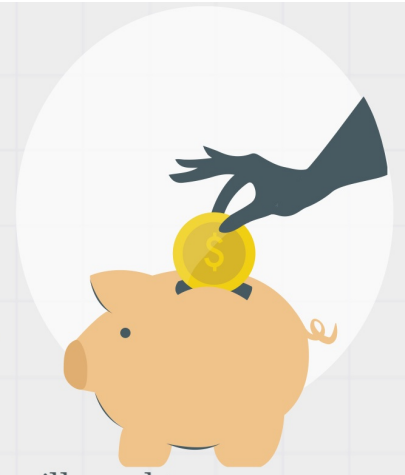


Laying the **FOUNDATION** for responsible credit use



It's never too early to start teaching children the principles they'll need to manage money responsibly, including making decisions about credit use. Here are some ways to help set the stage for wise choices about money and credit for all ages of youth.

Preschool and Elementary



As an elementary student, give kids the chance to practice real money management. Start with having them pay for things with cash and get change back. Talk to a child about credit cards if you use one while purchasing something. Practical money skills=strong base.

When your child asks to buy something, discuss whether it is a want or a need. Helping them learn the difference supports decision-making skills.



Pre-teen



If your child is craving that new toy or electronic gadget, consider negotiating the terms of a "loan" with them to purchase it, including an interest rate, payments and what happens if they don't pay you back (or default on the loan).

Going shopping? Give your child a pre-paid debit card to manage for a list of goods you agree upon. Help them manage the card - but when funds are gone, they're gone.



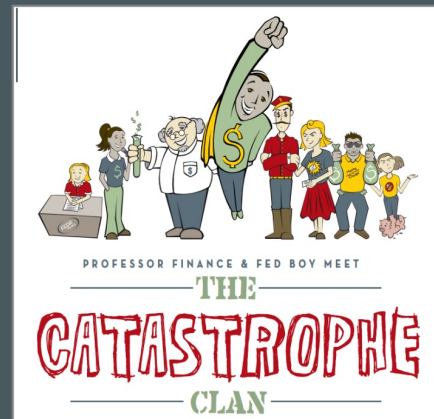
Teenager

It's time to make sure your child has a checking account with a financial institution and a debit card. Set up a regular time with your teen to determine a budget and talk about managing funds together. Troubleshoot problems while providing more freedom.



Take those credit card offers you get in the mail and share them with your pre-teen. Let them see the marketing that goes into each one, as well as all of the disclosures and fine print to reinforce what choosing one offer over another might yield.

Credit Education Resources



**THE MONEY
CIRCLE**    

Search free resources, lesson plans and research to learn more about personal finance topics at:
www.kansascityfed.org.



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