

# MoneyWizdom<sup>SM</sup> Quick Start Guide

## The easy, fun, rewarding budget program for kids ages 5 through 8.

Thanks for choosing to start your kids on the MoneyWizdom program. It has been road tested with families like yours. It works! Setup is fast and fun—just four easy steps, and you're on your way!

### STEP I Set the Pay

Given you spend money on your kids all the time, our program is set up to have your kids take over managing a portion of that money. Since the money is already within YOUR budget it accounts for the cost of goods today AND requires no new money to start your kids' money training! Best of all, it works for any family, regardless of income and number of kids. Use our simple worksheet below to calculate a pay amount for each of your kids.

1. Fill in what you currently spend on your kid's "wants" *each week*. Do not include money you spend on their "needs" (e.g. housing, gas, food, clothes, music lessons, etc.) Ignore categories that don't apply to you. Add your own. Try to be accurate, but don't stress.

Games _____	Videos _____	Other _____
Books _____	Art Supplies _____	_____
Skates _____	Music _____	Other _____
Bike Bag _____	Toys _____	_____
Ice Cream _____	Stickers _____	Other _____
Treats _____	Soda _____	_____

2. Total all your numbers: \$ \_\_\_\_\_
3. Divide the total in #2 by three for a suggested weekly pay: \$ \_\_\_\_\_ / 3 = \$ \_\_\_\_\_





**Why divide by three you ask?** It is the average our parents use today. Because each family is unique, choose an amount that you can consistently pay your kids each week. If you find one-third is not working, move the amount up or down to suit your family needs.

### MoneyWizdom Tip

We've found that kids ages 5 to 8 pick up budgeting skills best when they get a regular weekly payment that's not tied to completing chores or other work around the house. Know that you'll have plenty of time later to teach them about earning money.

## STEP 2 Set the Pay Allocation

Now you need to decide how you want your kids' pay to be allocated to their four-part budget. It is important to allocate the same amount each week. We recommend the following as guidelines. Please feel free to adjust the pay allocation percentages to suit your family's needs and values.

		Allocation
	<b>SAVE</b> money that kids set aside for building regular, ongoing saving habits.	<b>30%</b>
	<b>SPEND</b> money that kids can spend how they want, now, within your rules.	<b>30%</b>
	<b>PLAN</b> money for things kids want but need time to save up enough money to buy.	<b>30%</b>
	<b>GIVE</b> money that kids donate to a charity they choose or a cause they support.	<b>10%</b>

We also recommend when your kids are given money as birthday and holiday gifts, that they treat the money the same as their weekly pay. This helps build and reinforce the habit of always allocating their "income" into the four budget areas every time they get "paid."

## STEP 3 Set the Rules

Money Wizdom gives kids responsibility, with your help, to manage their own money. Set the do's and don'ts for what your kids can and cannot do with the money they manage. You know your kids better than anyone, so set rules that will work for them. Here are some rules other parents have used:

- No sugar foods
- No cell phone minutes
- No website subscriptions
- No video games
- No gum
- No stuffed animals

You get the idea. Once you set the rules, your kids will be ready to take on the responsibilities of managing their own money. And then cool stuff happens.

### Money Wizdom Tip

Letting kids make their own money decisions, good or bad, is one of the hardest parts for a parent. Yet it's one of the most important. As your kids learn from their choices, try to stay out of their way.

## STEP 4 Set the Payday

Your kids will look forward to getting paid each week—just like you do. Choose a convenient day and time and do your best to stick to it. At each payday, let your kids count and play with the money they just earned. Take a few minutes to talk about what they can do with their money:

- SAVE** Go to the bank with your children every month. Over time, interest will show them that their money is growing.
- SPEND** Schedule shopping trips and help your kids make smart spending choices.
- PLAN** Select items to save for; they can clip pictures, write down costs. Help your kids determine how many weeks it will take to buy each item. Some parents match their kid's contributions to help them reach goals faster.
- GIVE** Talk about worthy causes, and make donations when the time is appropriate for your family. Do it in-person, call ahead to schedule a visit.

### You've Got Our Support!

We are here to support you in your efforts to teach your kids money skills and habits. You can find help in the following ways:

#### 1. Free Money Moments<sup>SM</sup> Weekly E-newsletter

Our e-newsletter, *Money Moments*, shows you how to take everyday things you do with your kids—like reading or grocery shopping—and drop in some fun money training. Sign up at [www.moneywizdom.com/signup](http://www.moneywizdom.com/signup).

#### 2. Ask Us Questions

Answering your kids' questions about money—especially your money—may not be easy at times. When they stump you, or you have your own questions, get in touch with us at [help@moneywizdom.com](mailto:help@moneywizdom.com).

#### 3. Consult Our FAQ Library

We keep a running post of the most common questions we get from our families. Please check out our answers at [www.moneywizdom.com/faq](http://www.moneywizdom.com/faq).

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on the Money Wizdom program!

### Money Wisdom Tip

Whenever your kids use their new money-handling skills, let them know you're proud! Repetition is a good building block for healthy habits. And healthy, responsible money habits are a timeless gift you can give your kids.

## Making the Budget Pouches

Your kids need a simple way to keep their new budget categories separate and handy.

**Our top choice** The clear, zippered pencil pouches that kids often use in school, sold in office supply or art stores or drugstore school-supply sections. Kids can see their money (so important at this age) and easily get it out and keep it safe. The pouches are light, easy to grab, and fit nicely in most purses—a snap to take along when “you’re out and about.”

### How to Label

**Option 1** With a Sharpie-type marker, write the category name in the appropriate color on each pouch: **Spend** **Save** **Plan** **Give**. This really helps kids who are still learning to read.

**Option 2** Cut out the color labels to help your kids identify each of their budget pouches.



### Money Wisdom Tip

Got more than one kid on the program? Put each kid's name on their pouches, so they can't be mistaken for someone else's!