



LAWN AND ORDER

Save your money.

It's never too early to establish good financial habits with your kids. Just like businesses need to save money to grow, it's important for kids to learn to save at a young age so they can invest in their future. In the *Lawn and Order* webisode, Warren quotes Ben Franklin who famously said, "A penny saved is a penny earned."

Encourage kids to start saving now.

Ask kids: What does Ben Franklin's saying mean? To help children learn to manage their money, have them label two banks or money jars—one for saving and one for spending. When children receive money as a gift, an allowance for chores, or from an odd job like walking a neighbor's dog, talk to them about how they wish to split the money between savings and spending.

Learn the difference between wants and needs.

Sometimes it's difficult for children, especially younger ones, to understand wants versus needs. Talk to your kids about the differences. For instance, they may want a new video game or iPod, but need a new backpack or braces.

Activities:

1. Have kids make a list—or create a collage from catalog or magazine photos—of five to ten things they'd like to get and mark whether it's a want or a need.
2. Prioritize the list. Explain that we can't get everything we want, but if we figure out which wants are most important then we can make better spending decisions. For instance, saving for a new bike that you'll ride for years may be worth spending your money on rather than buying a new designer shirt that you may wear for a month and then will sit in your closet.
3. Finally, help kids establish goals for the future—like saving for college—by providing examples of things you saved for and how those accomplishments felt. Remind them that it's important not to spend more than you make.

Tip: Pay out allowances in denominations, such as dollar bills or quarters, which are easy to split between their saving and spending money jars. Challenge older kids: If you save \$20 a month, how much will you have at the end of a year? In five years? In ten years? As kids accumulate savings, talk to them about putting their money in a bank where they not only can save it but also make more money by earning interest.

