

Episode 7. Kids and Money

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SUMMARY KEYWORDS

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SPEAKERS

Deana Thayer, Future Focused Parenting, Kira Dorrian

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- K** Kira Dorrian 00:04
What happens when two parent coaches, one a Christian and the other an agnostic Jew, sit down to talk about parenting?
 - D** Deana Thayer 00:10
I'm Deana Thayer,
 - K** Kira Dorrian 00:11
and I'm Kira Dorrian.
 - D** Deana Thayer 00:13
Welcome to Raising Adults, a podcast about Future Focused Parenting.
 - K** Kira Dorrian 00:17
This episode of Raising Adults is brought to you by Tracy Barrett Adams at cornerstonehypnotherapy.com. Are anxiety or trouble sleeping stealing some of that playfulness and joy from your life? Hypnosis can actually help you reclaim a more peaceful mind and a lighter heart. During her online sessions, my colleague Tracy helps clients shift

out of wakeful, anxious cycles to create clarity and improve rest. And I can tell you from personal experience, Tracy's awesome. I'm a hypnotherapist and when I need hypnotherapy, Tracy is the lady I see. So mention this podcast and she will give you 20% off your first session. That website is cornerstonehypnotherapy.com. Okay, so today we are going to talk about a very important topic and that is money. How do we communicate with our kids about money? Educate them about being fiscally responsible, even just talk about how it works in the world? And what do we want them to think about it and understand about it? So I'm going to actually hand it over to Deana just because she's had a much longer span of time to be working on this topic. We are actually just dipping our toes into this topic, because our kids are seven. So I'm going to pass over to you and let you do the bulk of that information giving.

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Deana Thayer 01:31

Great, although I'll probably have a couple of questions for you because I love hearing about you at this emerging of money issues. But I'm going to start with my why as always, and I love when we can do this. You got to talk about it with chores when you had a not so great example from your parents and how they handled it. And I'm grateful to say this is one where I actually loved the way my parents did it. And like all parents, they made mistakes, but this was just something they did really well. And I wanted to emulate it and make sure that I was starting from a superduper young age with my kids to just instill not only the value of money, but what importance do we place on it in our lives? How do we be careful with it? And how do we do all of that without letting it become the be all end all and also become this huge thing where it's kind of all we're thinking about, and all of our decisions are based on it. I didn't want that. I didn't want such a money focused view and worldview from my kids. So that was really important to me. But I'm really glad to say I had a great example, in my parents.

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Kira Dorrian 02:36

I'll share a little bit about my why, unfortunately, mine's the other way. My mother came from Holocaust survivors. So they were very poor. I mean, they moved from Germany to Canada with like, I mean, I can't remember the exact sum of money but it was tiny. I mean, like maybe maybe \$50 in their pockets. My grandfather was a cow farmer, a dairy farmer. And so she grew up very, very poor. My mom always talked about that she had one doll, one toy, and her brother cut its hair off one day. And like I heard that story and and just cried for days because it was just...so yeah, so she grew up very poor and so wasn't really given a great exposure to handling money because there was no money to handle. It was hand to mouth. They tried, I think really hard to teach me about money. They gave me a budget when I was a teenager, a certain amount of money I had to live

on for the month. You know, they they did their best, but I just think I don't have a great sense of how to handle money. Dave is much better, much, much better with money than I am. And so my why is I want them to be successful with money because it is extremely important. It is, it really, especially for their generation, it is the be all end all of whether or not they're gonna be able to retire, right? Whether they're going to have good health care at the moment, you need money to do those things. And so as Dave and I look at our future, and feel like we just wish we'd been better prepared. We just want better for them and teaching them is going to be the key to that.

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Deana Thayer 04:03

Yeah. And in this context of Raising Adults, which we're passionate about, you want them to be able to manage money well, so that they can be an adult. I really have a goal for my kids that when they move out, they only do it once. I'm really not interested in Boomerang children. And part of that is managing money well, so that they don't end up....oh, well, this and this happened and I didn't pay that. And I just spent this over here and now I need to come crash on your couch. That does not excite me. So another real element of my why was that there would be a first and final launch. So that was really huge. So starting when Cienna and Marc were really little, I actually was a single mom, by the time Marc was only one. So this was a lot more caught than taught for them. They were too little for me to sit them down and have a big chat about how to do your spending and your giving and your charity and your investing. I wasn't going to do that. I had essentially I had two toddlers still. And what it came down to was modeling in those early years. I literally made money that was considered below the poverty line. my accountant told me this, he said, I do your taxes. I don't know how you do it. And so what it came down to, for me was showing, it wasn't a lot of telling they were little, it was showing. It was being willing to say, you know, we're not able to do that right now. And that was such another key piece actually, by the way, was the honesty. I chose to never be dishonest with my kiddos. If money was the reason, I didn't do that, oh, there's not time today, or we're kind of in a hurry in this store. I never shied away from saying we can't afford that. I wanted them to know that money wasn't inexhaustible, and it didn't just come and come and come. That it is finite in terms of a resource. It's a finite resource, you can run out and we want to be careful with what we have. But I would say in those early years, it was just, they were watching, they were watching how mom does this all by herself. I don't even know how much of it they were understanding. But I also had, as we talked about, in the chores episode, I had laid this early foundation of helping around the house with the same philosophy as you, I did not pay for chores. Those were just expectations, you help you pitch in. So they didn't have any money to work with yet. They had little piggy banks that they'd been given as gifts. And if we got money from family birthdays, or whatever, I would pop that in there. But they weren't yet managing their own money, if that makes sense. They weren't given a

regular amount to deal with. They were just too little. So it was a lot of watching. Then as they grew, we did a very simple plan. They could do extra work for money. And I taught them what I call 10/10/80, not my idea. You'll see it everywhere. I mean, all over. But I really liked this idea that we save 10%, we give 10%. So they could pick what they gave to if they wanted to give to our church they could, but a lot of times they picked other things. And then we spend 80%. My goal with that was I wanted them right away from the start to live below their means, not at and certainly not above. So that meant even if they earned \$1, I gave it to them in dimes so they could physically put one dime in the save, one dime in the give or decide where that was going or give it to mommy to put with what she was giving. And then they had their eight dimes that they could spend. And so many people, and I have to say it's happening a lot with this emerging generation. I have some young adults in my home and I see it even there and millennials as well sometimes struggle with this, is just spending absolutely everything you get. And by doing 10/10/80 right from the beginning we created margin. So right away, they were not spending everything they got. So that was a really helpful kind of foundational piece. And you have kids that are on the cusp of seven, so you're just at, like I said, this emerging point. Have you been doing any of that kind of thing so far? Tell me about that.

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Kira Dorrian 08:08

Yeah, it's been, it's been tricky because Dave I think grew up, just personality wise, more like me, like, there were stories about, you know, him and his twin sister. And she would like save all her birthday money. And I remember like, when they knew you're old enough to get a car, they both inherited some money and Dave bought clothes and Sue bought a car. So he and I in that way, perhaps not the best match. But um, anyway, all that is to say that, um, so we tried allowance for a while. And in the same concept of not exactly 10/10/80 because I did not have the energy to do dimes, but what we did was they got \$3 a week to work to keep, and then \$1 got split between give and save. And that was working really well for a while and the best part about that honestly, was at Christmas time they had saved up enough give money, that we were able to adopt a family in our neighborhood and buy Christmas presents for them. And that was huge. I mean, really like a beautiful life lesson, they got to meet this family and meet the kids that they were helping and, and we talked a lot about, you know, that was just from this consistent commitment to putting money in your gift jar, that you were able to help this other family who were less fortunate than you. So that was really, that worked out really well. Unfortunately, we got to this point where one of my kids spent all their money at the dollar store, which really like did my head in and, and I'm still trying to figure out, you know, how much freedom do you give them? Like it's their money, you're trying to set these boundaries and parameters and give them room to let life you know, teach them lessons, but I have one child who I won't name. I have one child who doesn't seem to get

that lesson. And this child said to me after spending all their money at the dollar store. Oh, that's okay Mommy, I'll get more next week. That's when we cut off allowance. Because I was like, well, that's not working. And so we're still trying to figure out. I'm actually, to be perfectly honest, I'm interested in kind of hearing what you have to say, because I think we're looking for how do we teach the value of the dollar being that we are, you know, financially comfortable, we're not wealthy by any means. But we have enough food, we have, we're able to get clothes, we're able to go to the movies when we want to go to the movies. So we're very fortunate. So how do we teach scarcity, essentially, in a home that isn't scarce? I mean, we will often say, No, we can't afford that right now. One time, my daughter wanted to take horseback riding lessons, which are super expensive. And I, we talked about it and just decided they were too expensive. And I said to her, you know, it's just not in our family value system to spend that much money on an activity. And so we've talked a little bit about that, that like even though we sometimes have the money, that's not necessarily where our values lie is spending that money in that way. But that's sort of where we're at. So I think this, this is going to be the year where we start to figure out, what are those steps to teaching, you know, they understand the concept of give. They understand the concept of save, though it hasn't meant much to them because they watched the savings grow, but it's not meaningful because they don't get to spend it. But the really big question for us is because we won't pay for chores, how do we teach them to earn, and then how to spend that money in a, in a way that's wise?

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Deana Thayer 11:30

And that's an ongoing question. I can tell you. It's really tricky. And all of parenting is sort of this long, letting go. So this is a really hard one, because I would love as a little more of a type A personality, a controller, I would love to have more control over this than I do. But I've had to do the slow letting go and let them kind of decide. So I'll talk for a few minutes about that and what happened as they got older and how did I relinquish the reins and all of that, because I really resonate with what you said. And I bet our listeners do too. I didn't have the energy for dimes. I'm telling you... the times at the customer service counter at the grocery store where we were trying to ask for, we need this many quarters, and this, as they got older and were earning more money. And then we had five kids to do it for. It wasn't easy. And I think even a little bit scary, just daunting, because we also had ways they could lose some of their money. And so it was literally this was an exercise in follow through. I had to keep track of who now had this much left, who was earning, where are we at, and it was a lot and I don't want to gloss over that. Because some things in parenting are a slog, and that was just kind of hard. And I can't even say, oh my goodness, it was a smashing success. All of my kids are total penny pinchers. And I don't, I can't say that. I can say I've seen some really wise things happen. And I've seen some foolish things happen. But there's kind of three big principles that I've tried to stick with. One I briefly

mentioned before, but I want to elaborate a little more. And that's the honesty piece. So I'm pretty transparent about our family and our family values around money. And even, like I said, being able to say we can't afford that right now. And we're choosing not to do that, like you did with the horseback riding lessons. However, I really want to give the caveat that that is without details. I do not ever recommend sharing how much is in your account or... that actually can really stress children out and make them be worried about their own parents' well being, about their well being, will there be enough? Am I going to get to eat? I mean, they will go to places you wouldn't even imagine. And they'll sometimes fill in those blanks to their own detriment. And that can be really damaging. So I really recommend honesty in a way that doesn't go into delving too much detail. So that was the first thing and that was true. Even around their spending. So I would be honest with them and say, wow, that doesn't really seem like the wisest choice. Tell me about why you chose that. And we would talk about it, but it never crossed over into again, too much honesty. Wow, you're an idiot. I mean, I wasn't gonna name call...

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Kira Dorrian 14:13

I mean, let's be perfectly honest...you're behaving like an idiot, right?

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Deana Thayer 14:19

We're not going to go to that. Mom is going to be an example. We're not going to go to name calling. And even if I maybe thought that at times. So it was that honesty without going too far. The second piece is allowing freedom within limits, which probably will be the first time I say it, definitely not the last. So there is latitude. For my teens now, especially my two bio kids, I have much more of a say. I'm a signer on both of their accounts. So I have visibility into their accounts. And so I let them do what they're going to do, but because I have visibility, I can come around with those parameters and put up some scaffolding around it and say, hey, I noticed you were overdrawn. Tell me about that. And we can talk about. Okay, how do we prevent that the next time? The parameters are you having visibility, do what you need to do to have visibility. If that means being a signer on your child's account, great. If that means you sit down with them and help them balance a checkbook. And yes, I mean, the old school checkbook. Some of them need to learn that before they can handle online banking or an app, they need to see it on paper. I even taught mine to, how to do a balance inquiry at an ATM. Because the key is before you spend any money, check how much you have. It's amazing how many teens just skip that step and assume they have money. And life will really get you on that because we have a child in our home who made too many transfers from savings to checking and started getting a fee. And now they've spent money they really didn't have, because they were spending money they didn't have, and that is such a hard lesson, but you need to let

it happen. It's kind of yucky, but it needs to happen. And then the third one is though, sometimes your child is going to say something to you and be right. And I had a child say something like this to me last week, and they were right. Mom, you need to let me sometimes make mistakes and do it wrong. And let me figure it out. And you know what? That is true. And I just sort of have to white knuckle that part. I'm not good at it. But it's accurate. So when I heard that, it's true. It's great that I have visibility and can maybe point out some things that they weren't aware of, but then I have to still let it be what it is, and not shy away from letting those things happen.

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Kira Dorrian 16:44

I guess I'm curious because I agree and it is so hard to let your children fall. And to know that that's actually going to be better for them than you trying to catch them. Right. So I'm curious. I'm going to give you an example with my kid and see what you think. Because. so as I said, I have, I have one child who is very impulsive spendy, I want that, I want that, I want that, I want that. And so when they were getting an allowance, they would save up. And they would get really, really interested in this thing. And they would spend all their money on this thing. And then they would play with that thing once, and then they would never play with it again. And so we have in their room, a collection of fairly expensive items, really, for a seven year old, that are never touched. And so initially, my thought was, well, this is life teaching a lesson, right? Like, wow, you spent all your money and now you don't have any money and you're not even playing with that thing. And we did some talking around it. Like, you know, I'm seeing that you're making choices to spend your money on things that you're not playing with. Can you tell me about that? But I'm curious at what point you would intervene and do something different or would you not? Would you just keep letting that happen?

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Deana Thayer 17:56

Yeah, when they were younger, I did intervene and a few times I actually had them sell things they were no longer playing with.

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Kira Dorrian 18:04

Did they get the money back? Or did you get the money?

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Deana Thayer 18:07

We split it. So because I had to do the work to list it, they didn't know how to handle an online marketplace or Craigslist or anything like that. I had to take a cut. And that was

really a bummer. But I really felt strongly that they should not have this long shelf of things that aren't even getting used, somebody else can benefit from those. You chose to use your money in that way. And we're going to have those go because another value for us kind of around this is with possessions. We don't try to be super materialistic, and I, I just didn't enjoy seeing... to me it felt like a waste of money. We'd spent money and now that toy isn't even being used, and somebody else might really enjoy it. So they would get some of the money but the percentage was very much proportionate to how much they'd spent in the first place. How much did they in my mind, quote, "waste" in the first place? And so mom took a cut, because there had to be a little bit of ouch around that. I also sometimes prevented this. And I do really prefer being preventative rather than diagnostic whenever I can. So if I saw that happening, I would sometimes impose a waiting period. And we would say, you know, we're going to wait a week. I see you're really interested in this. If you still feel this strongly about it in a week, we'll buy it. It's amazing how many times they forgot all about the item.

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Kira Dorrian 19:27

One of the things we struggle with is that our kids' birthday is just about at the halfway point between Christmas. So they get money at Christmas, and then they get money at their birthday. And it kind of lasts them because we you know, we're not like yes, you can go blow all of that all at once. And with their birthday, and their Christmas money, they have to put 10% in savings, you know, and we don't do exactly 10% but they have to put a portion in savings in a portion in give. Like even if it's gift money, we still feel like we're very fortunate that we have this. We need to make sure that we're also giving. But they just seem to always have enough money. And, and so even earning, you know, and they don't want for much to be fair, my kids don't ask for a ton of stuff that is probably part of it is that it's, it's not like everyday they're like, I want this, I want this. It's, you know, every now and then they'll say, oh, I saw this and I, and I want it and then we'll say okay, well check your wallet. Let's see how much you have. But I'm curious when you started allowing them to earn money for extra chores like, so like above and beyond.

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Deana Thayer 20:27

We did that at about grade school. So not kindergarten, but like first grade and on and we just assigned values to different jobs and hung them up in a place everyone could see. So the other key there is my kids were readers so they could choose a chore and then know how much they would get for doing it. And I made it really clear it had to be done to my standards. It wasn't do a quick, quick dust with the feather duster and go around all the things on the shelf and call it good and earn your dollar. It was, it really had to be done thoroughly to earn that money. But we did allow for that really fairly young. I'd say like six

or seven and then going from there. And the chores increased in difficulty too. They even were sometimes outside. When I was a single mom, we also had a yard to maintain; I owned a home all by myself. So they could help with weeding and earn money or things like that. And of course, that meant there were times I would ask them to just join me and help and they didn't earn money. But if they sought me out, I wanted them to see that there is a place in the world for that initiative, and that, again, that intrinsic motivation, and you can go seek out work to earn money, it's not all just going to come to you. So we created a system whereby they could do that. And they would have to ask me if the chore was available to. Because I had a little bit of a problem in the beginning with them just saying, oh, I just did such and such. And I'd say, oh, I'm sorry, I just did that yesterday, it didn't need done. I'm not going to be able to pay you for that. So they learned to ask, is washing windows available, Mommy? And if it was then they could do that and earn the money.

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Kira Dorrian 21:49

Okay, so one last question for you. What did you do around teaching, like things like bargain shopping or comparing prices of things, or I don't know, just that whole concept because that's such a huge part of the choices we make right? Of yes, I could buy this brand name or I could buy this bargain brand. When did you buy the brand name? When did you know that, that kind of thing? Like how did you guys handle that? Because sometimes I think that's the key to being financially responsible is not feeling like you always have to buy the brand name, but knowing when you should, because that's actually the better quality option, you know, all of those kinds of things.

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Deana Thayer 22:23

Oh, I love this. We're still doing this one. Because actually, just recently I had a child buy some clothes at a not fancy place and they fell apart. And it was a really good lesson in sometimes you get what you pay for. So in the beginning was just modeling, they would see me maybe go to two or three stores before I bought what we were looking for, so that I could kind of compare prices. And sometimes I would choose the cheaper thing and that would be okay. And sometimes not, so I kind of taught them in categories. So one area where I wasn't as picky about brand name was like non-perishable food. So if I'm buying a box of crackers, I don't necessarily care that they say Ritz or whatever. Especially when my kids were little. And they're just needing a snack right? Now on things like clothes where I'm hoping to get some wear out of them, and I don't want the strap to break or the thread to unravel, I'm going to be a little bit more careful, and maybe even be willing to spend more to get that to last. So we talked about it in terms of categories too.

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Kira Dorrian 23:26

Last thoughts. Any last thoughts on money? Deana?

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Deana Thayer 23:29

Yes, I have a last thought. I have an overarching thought actually. And then I have a good quote too. So, a thought is, it really isn't about how much you make. It's what you do with what you make. A lot of kids have maybe a small amount to work with, even if they do get an allowance say, it's pretty small and it's a finite amount and it's okay to let it run out. But it's also about how do you use it? What do you do with what you get? My accountant who told me I was below the poverty line and used to say, I don't know how you do it. It was because I was careful with what I had. It wasn't because I made a ton of money. I did not. But I was just super careful and did these things strategically. And I was doing the same things I was telling my kids to do. I was doing the 10/10/80 and then teaching them to do the 10/10/80. And that was really key just not caring so much about how much there was, but what was I doing with it? And am I being responsible and wise with it. And the quote I want to share with you is just a short one, the quote is do it scared, and that is by Ruth Soukup. She is the creator of Living Well, Spending Less, which is a great website. She has a blog and all these amazing things. I've actually learned a lot from her. But I love that idea because it might sound scary, like to do the dimes or to figure out a system that makes sense for chores and earning money. Or to teach your kids a new system of oh, I've really got to teach them about saving and giving, not just spending? That can sound a little bit daunting and we sometimes land in one of two places. If it scares me, I don't do it at all, or I do it because I feel courageous and fine about it. And there can be a middle of doing it scared. And that's what I really encourage parents with financial management, just do it even if you're scared of it. It is so worth it to teach your kids these skills in the lon

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Kira Dorrian 25:13

Well, I hope everyone got as much valuable information out of this podcast as I did. I'm sorry I couldn't contribute more on this one. But I'm really glad that we covered this topic because it is so important to Raising Adults and definitely something that I think is on a lot of parents' minds. So as always, for more information you can visit raisingadultspodcast.com or our bigger brand, which is futurefocusedparenting.com. Raising Adults is produced by Kira Dorrian and Deana Thayer, and recorded in my laundry room. Music by Seattle band Hannalee. If you like what you hear, please give us a five star rating, tell your friends, share it on Facebook and Instagram. It's amazing how much those positive reviews and word of mouth is the key to a successful podcast. So if you like what you hear, give us that five star rating and we can bring you more of it. Thanks for listening.



Future Focused Parenting 25:59

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