

THE NEW AGE PARENTS E-BOOK SERIES

The Money Jar Method For Kids

USING MONEY JARS TO INTRODUCE YOUR KIDS
TO FINANCIAL PLANNING



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4. The Money Jar Method For Kids

Ernest Tan, Founder and Director of Jopez Academy and author of 'Raising Financially Savvy Kids' show parents how to use Money Jars effectively to instil healthy money habits in children.

1. Create Your Own Money Jars

As soon as your children are given an allowance, give each of them a set of the money jars. You can make your own, using recycled glass food jars or cardboard.

Set aside three 'jars'. Label the first jar as 'Spend', the second jar as 'Save', and the last jar as 'Share'. Make the labels big and obvious, so your child know where to allocate the money. To motivate and inspire them, create a set of money jar for yourself and do it together with them.

2. Show them

Show your children how to portion part of their allowance into their money jars whenever they receive their allowance. Allocate 70% to spending, 20% to savings and 10% to sharing. Give their allowance in loose change so money can be easily divided and allocated to each jar.

For example, if their allowance is \$2 per day, give them in denominations (e.g. \$1 - 50 cents, 20 cents, 10 cents, 10 cents) so they can start to put their money in the jars immediately after receiving their allowance.

3. Count with them

Every time your child adds money to the savings jar, count with them to see much they have saved. Talk about how much more they need to reach their goal and the estimated time needed to achieve it.



4. Observe and guide them

Besides doling out daily or weekly allowance, observe and know how your child is managing their allowance. Even though the money is left up to them to manage, it is important to know how your children are managing their allowance and provide guidance when necessary.

Things to look out for: Is your child able to proportion out what is used for expenses and savings? Is he saving too much and skimping on the necessary things? Is she extravagant and spending on non-essentials?

Equipping your children with the proper concept of money will help them to understand the value behind possessions and empower their decisions on buying, spending and saving. A well prepared child will be more money savvy and financially responsible for bigger decisions they grow.

Receive a set of
MONEY JARS FOR FREE
when you sign up here:
www.jopezacademy.com/mjars.

Three colorful cardboard money jars are shown. The first is green and labeled 'SAVE', the second is pink and labeled 'SHARE', and the third is yellow and labeled 'SPEND'. Each jar has a coin slot on top and is decorated with illustrations of children and money.