

Practice Tips: Banking for Kids!

The holidays are often a time when we hear “I want” or “gimme” from children as they watch commercials or see advertisements for the latest toys or fun things to do. It’s an ideal time to begin talking about money and the need for saving. Even young children can begin to understand basic concepts.

Beth Kobliner, author of “Get a Financial Life”, says children as young as three years old can grasp financial concepts like saving and spending. And a report by researchers at the University of Cambridge commissioned by the United Kingdom’s Money Advice Service says that money habits are formed by age 7. *Early Learning Foundations that relate to exploration of money concepts are found in Social Emotional: Self Concept; Discoveries/Approaches to Learning: Engagement and Persistence and Reasoning and Problem Solving; Mathematics: Numbers and Operation, Patterns, Measurement and Data Analysis; My Family, My Community My World: Money and Resources-Economics. Children can also practice Creative Expression: Dramatic Play and Language and Literacy: Receptive and Expressive Language when they participate in activities involving saving and spending.*

Here are some ideas for introducing these concepts to children.

For very young children, make shakers by putting several pennies into a tightly sealed container. Children can make music. Give them play money to put in and dump out of a piggy bank. Introduce toddlers to the names of coins – penny, nickel, dime and quarter –helping them to see the characteristics of each.

Preschoolers can begin using play money in their dramatic play. They can buy and sell groceries to other children when you include empty and clean food containers in the housekeeping area. You can also turn this area into other establishments that require purchasing of goods or services. An ice cream shop, a hair salon, a pet store are all fun ways to practice buying and selling. “How much will it cost?” is a great question to ask when you are “getting your nails done”! When play money and a cash register are added to the dramatic play area, children begin to experience these routines.

Children can sort coins or play money by penny, nickel, dime or quarter. For older children, invite them to add the coins. Put the same number of each type in a pile and help them to see that 5 pennies equals 5 cents; 5 dimes equals 50 cents – which is more?

Identify ingredients needed to make a pizza. Make a grocery list with children. Then show pictures of the food items on the list as well as other non-essential ingredients. Ask children, do we “want or need” this item? Help them to understand about the extra items that “add up” financially.

Give each child a play dollar bill and set up a store where children may purchase items with their dollar. Combine some things together – 2 pencils for \$1, 3 erasers for \$1 or one book costing \$1. Include some things that are \$2. Help each child decide, would they prefer two pencils for a dollar or one book? Help them recognize that they won’t be able to purchase the \$2 items. Talk about the way some things cost more than others and how we often need to save to purchase them.

Older children can “save” for a special treat or resource. As they complete individual assignment or tasks, they can earn “money”. When they have earned a specified amount, they may be rewarded with an opportunity to buy something special such as being line leader or choosing a book or song. Make a chart that displays the items that can be earned, the required amounts and the ways children can earn those rewards.

Provide tokens to the group as they accomplish a challenging task. For example, a class that has difficulty lining up to go outside may earn tokens when they line up successfully. Hand each child a token to put into a piggy bank. When the bank is full or reaches a specified amount, the group can earn a treat. You can also ask the group to decide how they would like to use the “money” they earn. Determine how much they need to save in their piggy bank to purchase their selected event or activity. Periodically count the money in the bank to see how much is there and how more is needed. (ELFS: Social Emotional: Social Responsibilities and Cooperation;

Here are related Sesame Street websites and videos:

<http://www.sesamestreet.org/parents/topicsandactivities/toolkits/save>

<http://www.sesamestreet.org/parents/topicsandactivities/topics/saveshare>

Some books to try:

- The Coin Counting Book Paperback by [Rozanne Lanczak Williams](#)
- Alexander, Who Used to Be Rich Last Sunday by Silver Burdett
- A Chair for My Mother by Vera B. Williams
- Money for a Puppy: by D.L. Madson and Rajiv Kumar
- My Pink Piggy by Rozanne Williams