

Summer Fun

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Summer is that great time of year when you get to plan outdoor activities, enjoy lazy days by the pool, and spend day after day with your children by your side – *all – day – long*. Gone is the quiet, empty house during those school hours. Now, you have energetic, enthusiastic, rambunctious children looking for something to do! Somewhere to go! Making plans! Spending your money! Yep, they can hear an ice cream truck a mile away; they feel the pull of the mall from across the county; they want to go to the beach. Even in homes with two working parents, the lure of summer activities calls when kids are out from under the routine of school, sports, and homework.



Before you get too despondent, think about the prime opportunity that you have to teach your kids about choices, limits, and priorities. Here are some ways to turn summer energy into money lessons learned:

- Give them a “treat” budget for the week – cash on the barrel head on Monday but they get nothing else from you. If your daughter buys \$20 in ice cream day one, so be it. She will need to realize that she no longer has money to buy treats for the rest of the week like the other kids. It’s hard as a parent to make your kids face the consequences of their decisions but that is how they learn. Don’t make it seem like a punishment or “see I told you so.” Just be nonchalant and nonjudgmental - her money was already enjoyed. Do ask what she might do differently next week so that she sees the power of having a plan to improve on a prior mistake.
 - The benefit to you is that you don’t have to make 50 treat decisions every week – you make one treat decision for the summer and that is “how much do they each get per week?” You can certainly let them know that if they don’t spend it on treats, they can save it. It’s their

money but you have to be on board with that. This works fantastically while on vacation or visiting an amusement park.

- Give them an activities budget for the month – there are only so many activities that a family can afford in the summer so set your budget and then have a family discussion about alternatives. Give everyone a couple of days’ notice and tell them to come to the meeting with their ideas and proposals. They have to know how much their idea will cost, how long it will take, and other relevant details. This is great on so many levels!
 - They do the work of researching options; they see first-hand the costs involved, and they get the experience of selling their ideas to the family. It is also great for prioritizing and making trade-offs: is it better to do one great, but expensive, activity or lots of small less expensive ones? These are decisions that people have to make every day so it’s great to give them some practice.
- Get them involved with grocery shopping and couponing – have them go through papers to clip coupons for the foods they like and products that they use. Now at the store, let them compare the name brand with the coupon savings to the no-name product. Which is the better deal? How much does the family spend on groceries? Make it a game to try to reduce what was spent last week. How much is buying salad fixings versus buying the premade version? How does that compare to eating out? Perhaps you let them help create grocery savings which can then go toward the activities budget.
- Let them help with the vacation planning – this is a fabulous way to set priorities and compare the cost of things like different hotels, Airbnb’s, or other vacation spots. Why is it more expensive to stay close to the park rather than 20 miles away? Do you want a bigger house or rent the smaller one and use some of those funds to put toward activities?
 - Do you have an eating out budget while on vacation? Let them help consider the options (no, they can’t recommend pizza every night – you still get to set the ground rules!)
 - Do you have a souvenir budget? Everybody gets \$X for the trip or for younger ones, perhaps \$X per day. That really does help you with decision fatigue if you set the boundaries right up front.

Kids are naturally interested in money but often we don’t let them participate in the decision-making aspect of spending. They ask (for everything), and we are worn down by having to make decision after decision about the spending. Look for opportunities to give them the budget amount, and they can decide how it gets

spent. The key thing, though, is that they have to live with their decisions. If you keep the time frame short (a few days or a week), they can see the light at the end of the bad decision tunnel. The next time, they will be more thoughtful and aware of the impact of blowing through their money too quickly. Obviously, all of this has to be age-appropriate but even a kindergarten child can understand spending all of his or her money versus holding on to some for next time.

As kids get older, you can transition this into the new clothes spending and other aspects of their discretionary spending. Look for opportunities to bring up and plan for “saving for” that something that they want to have or do. Maybe there is a new video game coming out; can you have a money jar where they can start building up their cash for it? Do you pay for “above and beyond” work around the house?

There are many ways to let kids interact with money. As parents, you need to decide what habits you want to instill in them when “new” money comes in. Are they required to give a portion to charity? Do they need to save part of their money? Forming a pattern of “this is how it’s done” will help them develop habits to last a lifetime. If they never have to save money, they never learn to save. If they never have to make choices between this and that, they will never learn how to prioritize and make difficult financial choices.

Even if you have the means to provide what they want, it is important for them to learn the lessons of scarcity, prioritizing, saving, and making trade-offs. At some point, you want them to be financially independent and to do that well, they need some good basic habits. They need to make some mistakes with money, have some disappointments, and learn some lessons. The school of “hard knocks” is the best teacher. As parents, we don’t want our kids to have to really experience hard knocks so maybe we can create a few “softer knocks” that lets them learn without the pain being too great.

This summer, pick one or two things that might fit for your family and turn the kids loose to learn a few money lessons. They might surprise you, and you’ll probably find it’s a bit easier on you when you can fall back on the budget rather than having to think about it every time they ask for something.

Enjoy your summer!

To learn more or get help with money lessons for your kids, please email me at gildea@homrichberg.com.

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