

Could Your Child Possibly Do This? (Key)

Kids dream big. They may dream of getting lots of money. They may dream of getting into physical shape. They may dream of eating in more healthy ways.

These are all great dreams. The challenge, however, is that too often kids set goals that are too big and too hard to reach. For each situation below, decide whether the financial goal seems possible for someone your child's age. Circle one answer for each situation. **Correct answers are in bold.**

1. Your child wants to save for a present to buy for Mother's Day one month from now. The present costs \$5. Your child gets an allowance of \$2 a week. Your child has not saved any money yet.

Yes. Possible!

No. Impossible!

2. Your child wants to save for a toy to buy next week. The toy costs \$10. Your child gets an allowance of \$2 a week. Your child has not saved any money yet.

Yes. Possible!

No. Impossible!

3. Your child wants to save for a cell phone to buy two months from now. The cell phone costs \$100. Your child gets an allowance of \$2 a week. Your child has not saved any money yet.

Yes. Possible!

No. Impossible!

4. Your child wants to save for a movie to go to next weekend. The movie costs \$8. Your child will get an allowance of \$5 this week and the allowance again next week. Your child has not saved any money yet.

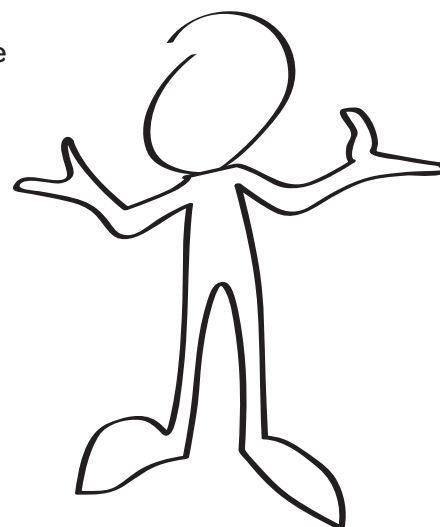
Yes. Possible!

No. Impossible!

5. Your child wants to save for a video game to buy two months from now. The game costs \$30. Your child knows he or she will get at least \$20 for an upcoming birthday next month. Your child gets an allowance of \$5 a week. Your child has not saved any money yet.

Yes. Possible!

No. Impossible!



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Points to make to debrief this handout:

1. Kids tend not to break down money goals into smaller ones. This is where parents can help. Kids tend not to work through the details of how to save for a goal. They might think: *I need \$100. I get \$5 for allowance each week. I can do this.*
2. When kids really want something, they may borrow money to get it instead of saving for it. As parents, discourage most borrowing. Encourage saving instead.
3. Help kids walk through scenarios like the ones on this handout. Don't ask: *Do you think you can do this?* (Kids will always say yes, even if they can't.) Instead say: *Let's talk this through.* Then work through the details with your child so your child can see whether or not a money goal is possible. If the money goal is not possible, help your child create a way to make it possible.