



Personal Finance: Another Perspective

Family 2: Teaching Children Financial Responsibility (through “Intentional Parenting”)

Updated 2019-11-25



Objectives

- A. Understand the importance of your family vision and teaching your children
- B. Understand some principles and doctrines of teaching children financial responsibility
- C. Understand some thoughts on when to teach children financial responsibility
- D. Understand some plans and strategies for teaching your children



A. Understand the Importance of your Family Vision and Goals

- What is your vision and your goals for your relationship with your children?
 - What responsibilities do you have?
 - What do the scriptures say?
 - Is teaching an important part of your vision and goals? (D&C 68:25, Family Proclamation)
 - What type of relationship do you want to have with your children?
 - How are you planning to develop that relationship?
 - What is your “sacred duty” to your family? (Family Proclamation)



Teaching Children (continued)

- What happens if we don't strengthen the family and teach our children?
 - What are the problems that we have because of the “disintegration of the family” and parents who do not teach their kids? (“the Family Proclamation”)
 - How are we going to work to ensure that doesn't happen in our family?
 - You have already developed a Family Vision from the previous section on Money and Marriage. Continue to work and refine it as you think through these sections



Teaching Children (continued)

- What are things we should teach them?
 - And again, inasmuch as parents have children in Zion, or in any of her stakes which are organized, that teach them not to understand the doctrine of repentance, faith in Christ the Son of the living God, and of baptism and the gift of the Holy Ghost by the laying on of the hands, when eight years old, the sin be upon the heads of the parents. For this shall be a law unto the inhabitants of Zion, or in any of her stakes which are organized (D&C 68:25-26).



Teaching Children (continued)

- Are we are concerned about our youth?
 - In our day, many children grow up with distorted values because we as parents overindulge them. . . . We as parents often attempt to provide children with almost everything they want thus taking away from them the blessing of anticipating, of longing for something they do not have. One of the most important things we can teach our children is to deny themselves. Instant gratification generally makes for weak people. How many truly great individuals do you know who never had to struggle? (Joe J. Christensen, “Greed, Selfishness, and Overindulgence,” *Ensign*, May 1999, 9).



Teaching Children (continued)

- Are our youth stretched?
 - A few of our wonderful youth and young adults in the Church are un-stretched. They have almost a free pass. Perks are provided, including cars complete with fuel and insurance—all paid for by parents who sometimes listen in vain for a few courteous and appreciative words. What is thus taken for granted ... tends to underwrite selfishness and a sense of entitlement (Neal A. Maxwell, *BYU Devotional*, 12 January 1999).
 - How do we ensure we do not underwrite selfishness and entitlement?



Teaching Children (continued)

- Should children always get what they want?
 - A noted child psychologist stated:
 - *Children who always get what they want will want as long as they live.* And somewhere along the line it is important for the character development of our children to learn that “the earth still revolves around the sun” and not around them. Rather, we should train our children to ask themselves the question, How is the world a better place because they are in it? (italics added, Fred Gosman, *Spoiled Rotten: American Children and How to Change Them* (1992), 32, 11, and inside front cover, as quoted by Joe J. Christensen, “Greed, Selfishness, and Overindulgence,” *Ensign*, May 1999, 9).



Questions

- Any questions on the importance of teaching children?



B. Understand the Principles of Teaching Financial Responsibility?

- Much has been written about how to teach children about finance. Following are a few ideas for the principles
- 1. Understand yourself, your identity, vision and goals
 - How can you teach your children who they are, unless you know who you are
 - Teach that you, like they, are beloved spirit son's and daughter's of Heavenly parents



Principles of Teaching (continued)

- 2. Teach by example to seek, receive and act on the Spirit's guidance
 - Use this principle as you seek to teach your children.
 - Teach your children to do the same, that God answers prayers and will help them
 - Show by example that this includes seeking diligently through study and prayer, living worthy of the Spirit's guidance, and then acting on it once it is received.



Principles of Teaching (continued)

- 3. Teach by example individually
 - President N. Eldon Tanner commented:
 - It is most important, therefore, that we are always on the alert, remembering that one teaches more effectively by example than by precept. Let us never forget the old axiom: “Your actions speak so loudly that I cannot hear what you say” (“Teaching Children of God,” *Ensign*, Oct. 1980, 2).
 - “Teaching by Example” should always be our starting point as we seek to teach our children



Principles of Teaching (continued)

- 4. Teach by example as a couple
 - Elder Marvin J. Ashton commented:
 - In the home, money management between husband and wife should be on a partnership basis, with both parties having a voice in decision- and policy-making. When children come along and reach the age of accountability, they too should be involved in money concerns on a limited partnership basis. Peace, contentment, love, and security in the home are not possible when financial anxieties and bickerings prevail (Marvin J. Ashton, “Guide to Family Finance,” *Liahona*, Apr. 2000, 42).



Principles of Teaching (continued)

- How do you help involve children in money matters on a “limited partnership basis?”
 - Elder Ashton recommends six additional points:
 - Pay an honest tithe
 - Teach family members early the importance of working and earning
 - Teach children to make money decisions in keeping with their capacities to understand
 - Teach family members to contribute to the total family welfare
 - Teach members that paying financial obligations is part of integrity and honesty development



Principles of Teaching (continued)

- 5. Pay an honest tithe and generous offerings
 - Pay the Lord first in all you do
 - If our tithing and fast offerings are the first obligations met following the receipt of each paycheck, our commitment to this important gospel principle will be strengthened and the likelihood of financial mismanagement will be reduced (“Guide to Family Finance,” *Liahona*, April 2000, 42).



Principles of Teaching (continued)

- 6. Teach family members early the importance of working and earning
 - Working and earning are critical skills for our children. Elder Ashton commented:
 - “In the sweat of thy face shalt thou eat bread” (Genesis 3:19) is not outdated counsel. It is basic to personal welfare. One of the greatest favors parents can do for their children is to teach them to work (“Guide to Family Finance,” *Liahona*, April 2000, 42).



Principles of Teaching (continued)

- 7. Teach children to make money decisions in keeping with their capacities to understand
 - Help your children become wise financial stewards. Based upon appropriate teaching and individual experience, children should be responsible for the financial decisions affecting their own money and suffer the consequences of unwise spending. “Save your money” is a hollow pronouncement from a parent to a child. “Save your money for a mission, bicycle, doll house, trousseau, or car” makes understandable sense (Marvin J. Ashton, “Guide to Family Finance,” *Liahona*, April 2000, 42).



Principles of Teaching (continued)

- 8. Teach family members to contribute to the total family welfare
 - Help family members understand the family financial situation
 - As children mature, they should understand the family financial position, budget, and investment goals and their individual responsibility within the family. Encourage inexpensive, fun projects, understandable to the children, that contribute to a family goal or joy (“Guide to Family Finance,” *Liahona*, Apr. 2000, 42).



Principles of Teaching (continued)

- 9. Teach family members they are accountable for their financial choices and you will not reward bad behavior
 - Help family members understand that you will not bail them out of their poor financial choices—they, not you or the government, are accountable
 - There are consequences to the choices they make and natural consequences are a good teacher. You teach like the Savior
 - The Lord said: “Whom I love I also chasten” (D&C 95:1) and “My son, despise not the chastening of the Lord . . . For whom the Lord loveth he chasteneth” (Hebrews 12:5-6).



Principles of Teaching (continued)

- 10. Teach family members that paying financial obligations is part of integrity and honesty development
 - Elder Ashton stated:
 - Latter-day Saints who ignore or avoid their creditors are entitled to feel the inner frustrations that such conduct merits, and they are not living as Latter-day Saints should! (Marvin J. Ashton, “One for the Money,” *Ensign*, July 1975, 72).



Principles of Teaching (continued)

Guiding Principles

Understand yourself, your vision and goals
Seek, receive and act on the Spirits guidance
Teach by example individually
Teach by example as a couple
Pay a full tithe and fast offering
Teach the importance of work
Teach to make money decisions
Teach we all contribute to family welfare
Teach and model accountability for our choices
Teach to be honest with finances

Doctrines

Identity
Obedience
Stewardship
Stewardship
Agency
Accountability
Stewardship
Agency
Agency
Accountability



Principles of Teaching (continued)

From obedience to consecration

We are children of Heavenly parents (identity), living worthy of the Spirit (obedience), who have a vision of what is important in life (Plan of Salvation). We are wisely making choices (agency) in teaching our children who they really are (identity) so they can come unto Christ (stewardship), make good choices in their lives and finances (accountability), and become unified and find joy in their families (Plan of Salvation) and ultimately become more like their Savior and accomplish their individual and family vision and goals.



C. Understand Plans and Strategies for Teaching Children

- President N. Eldon Tanner shared:

I am the child.

You hold in your hand my destiny.

You determine, largely, whether I shall succeed or fail.

Teach me, I pray, those things that make for happiness.

Train me, I beg, that I may be a blessing to the world.

- (N. Eldon Tanner, “Teaching Children of God,” *Ensign*, Oct. 1980, 2).

- This verse discusses two important questions.
 - First, what must children learn that will
 - *Make for happiness?*
 - *Become a blessing to the world?*
 - I have divided the things to teach children into “Spiritual Truths” and “Other Truths”



Teaching Financial Responsibility (continued)

- The Lord has commanded parents:
 - The glory of God is intelligence, or, in other words, light and truth. Light and truth forsake that evil one. But I have commanded you to bring up your children in light and truth (D&C 93:40).
- How do you bring up your children in light and truth?
 - What do you teach your children?
 - When do you teach them?
- Following are ideas for teaching young children, pre-teenagers, teenagers, college and older children, and married children



Teaching Financial Responsibility (continued)

- From what we have said thus far, we should teach our children:
 - To deny themselves
 - To stretch for what they want
 - To know they will not get everything they want
 - To obey the commandments
 - To appreciate what they have
- Following are a few ideas that may be helpful as you strive to teach your children at various ages
 - These are a few ideas that may be helpful



Teaching Financial Responsibility (continued)

- Teaching Young Children
 - From the D&C 68:25, 28
 - And again, inasmuch as parents have children in Zion, or in any of her stakes which are organized, that teach them not to understand the doctrine of repentance, faith in Christ the Son of the living God, and of baptism and the gift of the Holy Ghost by the laying on of the hands, when eight years old, the sin be upon the heads of the parents. And they shall also teach their children to pray, and to walk uprightly before the Lord.
 - Teach your children the basics of the gospel



Teaching Financial Responsibility (continued)

- Things to teach young children:
 - Spiritual truths:
 - Teach them who they are
 - Teach them they are children of God
 - Teach them to pray
 - Teach them to love their family and friends
 - Teach them to share with others
 - Other truths
 - Teach them to set and achieve goals
 - Teach them to learn to save for things they want



Teaching Financial Responsibility (continued)

- Teaching Pre-teenagers
 - What do you teach pre-teens?
 - The Lord through the prophet Joseph Smith said:
 - Behold, ye are little children and ye cannot bear all things now; ye must grow in grace and in the knowledge of the truth (D&C 50:40).
 - How do you grow in “grace and in the knowledge of the truth?”
 - Perhaps a few ideas



Teaching Financial Responsibility (continued)

- Things to teach this age group:
 - Spiritual truths
 - Teach them that all things come from God and that everything is the Lord's
 - Teach them that they are stewards over everything they have
 - Teach them to always pay the Lord first
 - Other truths
 - Teach them to save, to pay themselves second
 - Teach them discipline and frugality
 - Teach them that there are a lot of things more important than money



Teaching Financial Responsibility (continued)

- Teaching Teenagers
 - The prophet Alma, in speaking to his sons, gave some wonderful counsel to his sons. He said:
 - O, remember my son, and learn wisdom in thy youth. Yea, learn in thy youth to keep the commandments of God (Alma 37:35).
 - How do you learn to keep the commandments of God when it comes to finances?



Teaching Financial Responsibility (continued)

- Things to teach teenagers:
 - Spiritual truths
 - Teach them accountability for their actions
 - Teach them to serve and to give freely
 - Teach them not to covet
 - Other truths
 - Teach them the difference between income and wealth
 - Teach them about good assets and good liabilities
 - Teach them to spend less than they earn
 - Teach them to develop and live on a budget



Teaching Financial Responsibility (continued)

- Teaching college students and older children
 - The prophet Alma further continued:
 - Counsel with the Lord in all they doings, and he will direct thee for good; yea, when thou liest down at night lie down unto the Lord, that he may watch over you in your sleep; and when thou risest in the morning, let thy heart be full of thanks unto God; and if ye do these things, ye shall be lifted up at the last day (Alma 37:37).
 - How do we get closer to God to help with our challenges?



Teaching Financial Responsibility (continued)

- Things to teach this age group:
 - Spiritual truths
 - Encourage the development of habits of frugality and discipline
 - Other truths
 - Teach them how to save and invest wisely
 - Encourage them to maintain the habits of goals, budgeting, and earning as much as they can
 - When helping children financially for education, give them money for necessities, rather than for consumption spending, and hold them accountable for the money given



Teaching Financial Responsibility (continued)

- Teaching Married Children
 - Teaching married children is the most challenging of all. Perhaps the best counsel is from D&C 121: 41 where it states:
 - No power or influence can or ought to be maintained by virtue of the priesthood (or by virtue of money), only by persuasion, by long-suffering, by gentleness and meekness, and by love unfeigned; By kindness, and pure knowledge, which shall greatly enlarge the soul without hypocrisy, and without guile.



Teaching Financial Responsibility (continued)

- Things to do and teach with this age group:
 - Realize that your retirement planning is your first priority: helping children with money is second
 - Minimize discussions of what children and grandchildren will inherit or receive as gifts
 - Minimize gifts of cash to adult children as part of a negotiation strategy
 - Stay out of your adult children's family/finance matters
 - If you choose to leave assets to your children, assure them they will not receive anything until they have established a mature and disciplined lifestyle
 - Do not be the banker to your children and grandchildren
 - You are not responsible for the choices of your children. Your job is to love them and be a Christ-like example



Teaching Financial Responsibility (continued)

- In summary:
 - Teach your children who they are
 - They are children of God
 - Help them understand that they have a Heavenly Father who loves them and cares about them
 - Once they understand who they are, they will know how to act
 - Help them obtain testimonies of the Gospel of Jesus Christ
 - Help them realize the importance of the atonement of Jesus Christ and how much He loves them and wants to help them



Teaching Financial Responsibility (continued)

- Teach them about finances consistent with their age and their personal abilities
 - Help them to write down their personal goals
 - Help them to develop and live on a budget, consistent with their age and abilities
 - Teach them to make good choices financially
- Teach them that they are stewards over all the Lord has blessed them with
 - Teach them that they will be held accountable by you and a loving Father for their choices and their stewardships



Teaching Financial Responsibility (continued)

- Following are a few ideas for Plans and Strategies for teaching your children
 - We will teach our children the principles of the gospel in the home through
 - Daily scripture student
 - Morning and evening family prayer
 - Weekly Church attendance (to all 3 hours)
 - Weekly Family Home Evening
 - Primary, Mutual, and Seminary attendance
 - Annual tithing settlement



Teaching Financial Responsibility (continued)

- We will teach our children to work through
 - Children will have responsibilities in the home, both for taking care of their rooms and bathrooms, as well as taking care of the outside yard
- We will (will not) give our children an allowance to teach them the manage their finances.
- We will give our children opportunities to work
- We will pay half on larger goals for the children consistent with our goals and values, i.e., musical instrument, etc. Children will earn their half first before we add our half.
- We will not purchase vehicles for our children



Review of Objectives

- A. Do you have a vision for and understand the importance of teaching your children?
- B. Do you understand some thoughts on how you teach children financial responsibility?
- C. Do you understand plans and strategies for teaching your children?