



LAWN AND ORDER

Save your money.

It's never too early to establish good financial habits with kids. Just like businesses need to save money to grow, it's important for kids to learn to save at a young age so they can invest in their future. In the *Lawn and Order* webisode, Warren quotes Ben Franklin, who famously said, "A penny saved is a penny earned."

Encourage kids to start saving now.

Ask kids: What does Ben Franklin's saying mean? To help kids learn to manage their money, have them create two money jars to take home: one jar for saving and one for spending. Tell them that when they receive money as a gift, an allowance for chores, or from an odd job like walking a neighbor's dog, they should think about how they wish to split the money between savings and spending.

Learn the difference between wants and needs.

Sometimes it's difficult for children, especially younger ones, to understand wants versus needs. Talk to kids about the differences. For instance, they may want new video games or iPods, but need a new backpack or braces.

Activities:

1. Have kids make a list—or create a collage from catalog or magazine photos—of five to ten things they'd like to get and mark whether each thing is a want or a need.
2. Help kids prioritize the list. Explain that we can't get everything we want, but if we figure out which wants are most important, we can make better spending decisions. For instance, saving for a new bike that you'll ride for years may be a better decision than buying a new designer shirt that you may wear for a month or two.
3. Finally, help kids establish goals for the future—like saving for college—by providing examples of things you saved for and how those accomplishments felt. Remind them that it's important not to spend more than you make.

Tip: Tell kids to sort their home allowances in denominations, such as dollar bills or quarters, which are easy to split between "saving" and "spending" money jars. Challenge older kids: If you save \$20 a month, how much will you have at the end of a year? In five years? In ten years? Talk to kids about the difference between saving at home and saving at a bank, where they can make more money by earning interest.

