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Allowance?

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We all give our children an allowance. The first decision we face is whether to do so in a thoughtful, planful and consistent manner that can help our children learn and grow, or in a spontaneous, even capricious way that may not teach what we actually want them to learn. We are giving an allowance if our parenting style includes handing out money or buying things on request or demand. What we are *not* doing is teaching that money is earned, that money management is important, or that there are ways to spend money other than on ourselves. We are more likely to do these things if we give an allowance on a regular basis and help our children to learn responsibility for budgeting, saving, comparing cost, and setting priorities.

Some parents tie an allowance to chores, while others associate it with family membership. In the first model, parents may link an allowance to the completion of a set of chores to be done daily or during the week. Other parents may assign a dollar value to many chores around the house and allow their children to determine their earnings based on the number of chores completed. Still others may stress the "community," cooperative and collaborative nature of family living; everyone is expected to contribute to the family's well-being by pitching in with chores and, likewise, everyone benefits from family membership by receiving money on "pay day." In the latter case, parents should specify which jobs are done to help the family and which jobs may be done to earn extra money in addition to an allowance. Either way, it is important for parents to be clear about the reasons for and goals of providing an allowance, as well as consistent in paying the allowance.

Parents may start a saving pattern for their infants and toddlers. For preschoolers, providing them with coins to buy a candy bar or coloring book or other small items helps them begin to understand that money has purchasing power. Then, once children are old enough to understand that money is used to acquire belongings or to pay for services, once they have basic counting skills and can recognize different coins, they are old enough for an allowance. Often, parents initiate an allowance around the time a child enters kindergarten. While the family's financial situation ultimately determines allowance amounts, a typical allowance ranges from 25 to 75 cents per year of age. Other factors besides age that are relevant to determining an allowance amount may include maturity, interests, and responsibilities. A common suggestion to parents from practitioners working with children is to divide an allowance into thirds for spending, saving (piggy bank style for a few years), and giving *tzedakah*.

Parents who model sharing their resources with those in need have chosen a superb strategy for teaching their children about *tzedakah*. However, often we make donations unknown to our children. When we write checks or donate online, asking our children to join us can stress the value of *tzedakah*, and can encourage them to donate to the organization or facility of their choice. The giving of *tzedakah* links us all with others in our world, reminds us to be thankful for what we have, and teaches us the responsibility we have, one for another, each day of our lives, as we are linked to fulfill the *mitzvah* of *tikkun olam*.

The Idaho Central Credit Union suggests encouraging children to save by teaching them to "pay themselves first"; by matching amounts saved with a specific amount, e.g., 1:4 ratio, dollar per dollar; by allowing them to withdraw money for appropriate reasons; by helping them to set realistic goals that allow them enough spending money to have fun while sticking to their savings plan; and by encouraging teens to accumulate an emergency fund for unpredictable expenses like car repairs. Parents can help children learn to spend wisely by discussing age-appropriate guidelines for spending, setting limits on purchases based on family values, organizing shopping trips that teach children to compare price and quality, encouraging children not to spend impulsively, and allowing teens who work to spend their own money while requiring them to pay more of their own expenses as they grow closer to gaining independence to pursue post-high-school goals.

Braeur and Associates (http://www.wellminds.org/BandAAn allowance.html) reminds parents that payment of an allowance must be regular and consistent, that parents must stop "supplementing an allowance by purchasing luxury items for the child, and that, as children grow and mature, the lessons of planning and budgeting may be expanded. Unless parents allow their children to determine their own purchases, within reason, children will not learn money management skills, delay of gratification, or developmentally appropriate functional skills. Parents can sit down with teen-agers at the beginning of each school year, talk about what the expectations are for the teens to take care of certain expenses themselves, and budget for a season or quarter in terms of the purchase of clothing or personal items.