**X Ways to Teach Your Kids to Be Financially Independent**

Most people become financially independent and successful people in approximately the same way. This algorithm is not so difficult to understand, but constantly applying it in life is not so simple. Therefore, it is important to instill in a child these skills from childhood.

*What qualities determine the future success of a child?*

For a child to learn how to manage money rationally and achieve success in adulthood, it is necessary to instill in him two valuable qualities from an early age:

1. deferred remuneration;
2. ability to act independently.

Let's analyze these qualities in a little more detail.

1. *Deferred remuneration*

The deferred reward is the ability to deal with momentary pleasures and wait for a delayed reward. In the famous [Stanford Marshmallow experiment](https://en.wikipedia.org/wiki/Stanford_marshmallow_experiment), children were given the choice: get a small reward now or a larger reward in a short period.

Researchers tracked children to adolescence and found that children who were able to wait longer in the experiment were more successful in later life. This showed that the ability to wait for a reward plays an important role in maintaining health, achieving success and well-being.

1. *Ability to act independently*

This quality provides a sense of self-control and the ability to build judgments independently of other people. Over time, any child begins to show independence, tries to separate himself from his parents and act independently.

It is important not to suppress the child’s desire for independence, but to support and guide him along this path. Children, who learn to be free, passing through certain stages, grow up in successful and productive people. Below we give 10 ways to gradually instill in a child these two qualities.

Let's list these 10 ways that will contribute to the development of financial literacy and independence in children. And so they are:

1. **You must be a model of behavior.**

Children notice everything and see how you make spontaneous purchases in the store, take loans, use credit cards, treat your stress with shopping, hate your work and do nothing to change it, etc. They understand everything, and unfortunately, they absorb everything and then copy your behavior.

Therefore, you should start the change with yourself. Get rid of bad habits in the form of spontaneous shopping. Plan all your expenses. And if there are debts, then using a service such as <https://www.lendgenius.com/> you can competently and quickly solve this problem.

1. **The whole family should be a united front.**

And also the whole family should follow a single strategy regarding money. A model where mom saves and plans money, while the father spends the money and spoils the child with them, will not work because the child will choose the most light and “pleasant” model (paternal) for himself.

1. **Children should not be punished or encouraged by money.**

Children will instantly begin to manipulate you and “extort” money for good behavior. It is also not recommended to amuse and entertain children with shopping.

1. **Do not use the money to atone yourself.**

As an example, there may be situations when one of the divorced parents feels guilty and tries to atone for it with money or expensive gifts, or when a parent who does not devote enough time to his child tries to “buy” love and a good attitude. No gifts will make your children happy. Only your time and love will do it.

According to [statistics](https://www.wf-lawyers.com/divorce-statistics-and-facts/), monetary problems are the most common cause of scandals. If you cannot solve these problems, try to at least save your children from these conversations.

1. **Associate understanding of happiness with non-monetary things.**

With things like health, love, family values, adventure, travel, time spent together, etc.

1. **Teach that pocket money is important.**

If you plan to teach your child a literate attitude to money, not only theory but also practice is important. And here you can’t do without pocket money. Their size should depend solely on the size of your income. Even if it is $ 10 per week, you can either buy ice cream for this amount or save it to your new mobile phone.

1. **Make it clear that saving money is more profitable than spending.**

Explain to the child that the money that he does not spend today on his next purchase can bring him profit tomorrow. The child must seek to make his financial assets work. Tell him about deposits that are profitable when money is not wasted.

Even if it will be several tens of dollars a year from a small amount of money your child has invested in, he will be convinced by personal example that the money saved is profitable. Give an example: one thousand dollars in a contribution at 10% per annum in 10 years will “earn” another thousand dollars.

As your children grow up, tell them about other, more profitable ways to invest: for example, stock markets. There are many popular services, for example, <https://www.lendgenius.com/> which describes in detail how to do this and achieve your goal.

1. **Explain that saving is more profitable than borrowing.**

Perhaps this is more difficult to teach. Needless to say, not all adults will agree with this rule. Tell your child how much borrowing costs. Explain how, using the example of a deposit: if you take on credit $ 1000 at 10% per annum, you will have to return at least $ 1100 in a year.

Practice in this question will not interfere and will help in explaining this skill. If your child wants to buy something, but there is no money for it, offer to lend him the required amount at a percentage. When he realizes that he must deprive himself of ice cream to return interest, perhaps his interest in borrowed funds will disappear.

1. **Make it clear that friends’ money is none of your business.**

You probably know the situation called "Mom, I need a tablet, as Alex has from my class." Don't follow this way due to either your child’s desire or accepted opinion in society. If you can’t afford the tablet, as Alex has, don’t save up debts, it will only get worse.

Invite the child to focus on himself and his means. This is important if you want them to spend money wisely in the future and be content with what they have.

1. **Be sure to tell that time is money.**

Perhaps this is the most important point! Teach your children to value time. Explain to them that, for example, it’s not worthwhile sculpting figures from clay all day and more in quantity than they would be bought at the school fair. The child must understand that he should not spend efforts where they do not pay off.

At the same time, he needs to understand that it is necessary to work hard to earn a living. But labor must be paid with dignity. It is important to teach the child not to be afraid to ask for more for his work if he deserves it.

Concluding, we want to say that now you know that you need to educate a child financially from a young age, giving him freedom of choice, bringing up responsibility for his expenses and shopping planning. Children, who learn monetary laws from a young age are much easier to adapt to society and faster become financially literate, properly manage their funds. If you manage to convey the above recommendations to children, they will grow up as people who know how to value themselves, their time and money.