

Financial struggles can be tough on families, and tough to explain to kids

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Financial pressures may have made this a year when some families can't

afford pricy extras, such as after-school activities or summer camp.

It's OK to explain this to your kids, said an expert from Baylor College of Medicine in Houston, who offered tips for the conversation, as well as low-cost alternatives for budget-friendly summer fun.

"It's important to give an optimistic but honest appraisal of budgets," said Eric Storch, professor and vice chair of psychiatry and behavioral sciences. "If you're not in a position to spend on camps and extracurriculars, be confident, reassuring and also direct about what you're spending."

Families of young kids can [demonstrate how money works](#) by using tokens, buttons or lima beans in a discussion about what items cost, Storch said. Make it a game, pretending to buy items with the beans.

This would also be a good time to have [age-appropriate conversations](#) about saving [money](#) and how what you make should be greater than what you spend.

One way to demonstrate saving is to put some of your change after a grocery purchase into a jar at home instead of in your wallet. Keep doing this regularly to save.

[Teach older kids](#) about a [checking account](#) and how money comes in and goes out.

Kids can also learn how to entertain themselves at home, and plenty of fun activities cost nothing and bring families closer.

Some suggestions for free entertainment include holding a [family](#) game night or playing kickball, soccer, wiffleball or volleyball. Go for a walk together. Visit a park with family and friends. Go to a free community

pool in your area. Have a picnic. Arrange a home-based playdate.

"We're almost conditioned to think fun is related to spending money, but there is so much we can do that is free or with minimal cost," Storch said in a college news release. "At the same time, parents can teach [kids](#) about effectively managing a budget, teaching them that it's not always possible to have everything they want."

Kids may show signs of anxiety about strained finances. Symptoms can include feeling nervous or having stomach aches, holding back on asking to make a purchase, and collecting or maintaining their possessions because they worry they may need them in the future. They may seek reassurance, talk about money often or ask if you have enough.

"Kids discern things and they are attuned to their environment—often more than we give them credit for. Provide an optimistic but realistic outlook and reassure them that the family has a good plan for managing finances. There are numerous resources for parents to perfect their budgeting and saving skills," Storch said. "Consider these resources to help with budgeting and saving."

More information: The U.S. Financial Literacy and Education Commission has more [financial planning tips and ideas for families](#).

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