

Earning Money—Spending Money

by Susan Stephenson

Teaching children to handle money was never before as important as it has become in our culture today. Because of the emphasis on buying and spending thrust upon all of us we may have to deal with it much earlier than was necessary in the past.

Quoting Newsweek's special issue on the family, Winter/Spring 1990 (p. 57), from the article *Young Beyond their Years* by Kenneth Woodward, :

By the 80's, three out of four high school seniors were working an average of 18 hours a week and often take home more than \$200 a month. But their jobs—often in fast-food chains—were rarely challenging, and earnings were immediately spend on cars, clothing, stereos, and other artifacts of the adolescent good life. Indeed, researchers at the University of Michigan find that less than 11% of high school seniors save all or most of the earnings for college or other long-range purposes.

In short, teenage employment has only intensified the adolescent drive for immediate gratification. Instead of learning how to delay desires, students are indulging in what University of Michigan researcher Jerome Bachman calls "premature affluence." The problem, says Bachman, is that these adolescents tend to get accustomed to an unrealistic level of discretionary income which is impossible to maintain at college, unless they have extravagant parents. "and if they don't go to school," he observes, "they will have to continue to live at home if they hope to keep up their personal spending habits."

One of the sources of this problem is TV, according to Ralph Nadar, who says in Co-op America's newsletter, Building Economic Alternatives (Fall 1989): that children "see 25,000 television ads by the time they are seniors in high school . . . Our leaders have exposed millions of children to a pattern of commercial exploitation that even shocks Western European merchants, because they live in countries where children's ads on TV are banished since small children are not able to distinguish between programs and ads."

In our family we want our children to work with us, the impetus being that we

are a group of people who love each other, rather than for money. This is an area we constantly work on since we have our own business where the older children can earn money. When they do earn money, we want them to have a realistic view of how money is spent and not just use it for extras.

Our seven-year-old wants me to tell you about his budget system, which we worked out together, because he thinks other children would like it. He had never before received an allowance, but then, we do not watch television, so his mind had never been on shopping.

This year we sat down and figured out what we as a family spend money on and told him we would like to share our money with him so he could learn how to use it. (HE had first expressed the interest, or we might not have brought it up.)

We came up with nine categories:

- (1) tithe
- (2) food
- (3) house
- (4) clothing
- (5) transportation
- (6) education
- (7) entertainment
- (8) savings
- (9) left over. ("Left over" was his

idea in case we hadn't thought of everything.)

We labeled nine envelopes to hold money for these categories. He already had about \$15 from birthday and Christmas gifts, so it was a great division problem changing money to get it distributed equally into the nine envelopes.

Every month we give him \$9.00, his first allowance, to put into these envelopes. If he gets money for birthdays or earns extra for giant special tasks (not everyday work at home which is done by all members of the family for each other) he divides that into the nine envelopes.

We discuss, but he decides, how to spend this money. Tithe goes to homeless people or to a church, so far. He loves to buy food and flowers for the family at the farmers market we go to on Saturday

mornings. He is saving the "house" money, as we are, to buy a house. Clothing money was recently spent on baseball socks. He often leaves the house with money in one pocket for "food" and in the other for baseball cards ("entertainment"), because he wants to be sure to get the change back into the correct envelope.

This system may change but it is working so well not what, hopefully, it will give you ideas for your own child.

The main points, we think, are:

1. To teach the child to work with and for the family group for the good of all, and not for money
2. To learn to spend money on the fulfilling of real human needs and not just on unnecessary extras.

Excerpted from the 1992 issue of "Michael Olaf's Essential Montessori" catalogue www.michaelolaf.net



PHOTO: Michael Olaf at age 7, dressed for a wedding (not his usual attire). He is now, in 2007, twenty-four years old and putting himself through law school.