SONOMA WEALTH ADVISORS

Raising a Money-Smart Kid: A Practical Guide for Busy Parents

By Jackie Egidio, MBA | Sonoma Wealth Advisors

Why I Wrote This

I have spent my career helping small businesses grow their revenue and think clearly about the strategic decisions that shape where they go next. That work taught me something I did not expect: people are rarely held back by a lack of information. They are held back by habits formed long before anyone handed them a plan.

Nothing sharpened that thought like becoming a mom.

Somewhere between the checkout line and the fourth request for Robux in a single week, it hit me: my kids were forming opinions about money whether or not I was participating in the conversation. Every time I tapped a card without a word, every time I said “we can’t afford that” in a tone that ended the discussion, every sigh at the gas pump, that was a lesson. They were learning. I just wasn’t choosing what.

That realization is not meant to add to your guilt pile. Quite the opposite. If your kids are already learning about money from you, then you do not need to add one more enormous project to your week. You need to be a little more intentional about the moments you are already living.

This guide is what I wish someone had handed me: short, honest, and built for parents who are doing their best on a Tuesday night with laundry going and homework unfinished.

The Window Is Smaller Than You Think

Researchers at the University of Cambridge, in a 2013 study for the UK's Money Advice Service, found that the mental machinery behind adult financial behavior, including self-control, delaying a decision, and understanding that some choices cannot be undone, is largely in place by around age seven.[1] That does not mean a seven-year-old’s fate is sealed. It means the elementary and middle school years are not too early. They are the main event.

And here is the part I find most motivating: in a 2024 survey of U.S. high school students, eighty-one percent said they get their financial knowledge from their parents or guardians.[2]

Meanwhile, most high school juniors and seniors say they do not feel fully prepared to manage their own finances,[3] and adult financial literacy scores have been drifting downward, not up.[4] Thirty states now guarantee that every high school student takes a standalone personal finance course before graduating, according to Next Gen Personal Finance, which is real progress, but a semester in eleventh grade cannot undo eleven years of habit.[5]

You are the curriculum. That is a heavy sentence and a hopeful one. It means the most influential financial educator in your child's life is already in the room.

Money Went Invisible, and That Changes the Job

When I was a kid, money was a physical object. You could hold it, count it, lose it in the couch. Spending it meant watching it leave your hand. That friction was an accidental teacher, and our children have largely lost it.

Three things have changed since we were kids:

- **Payment is frictionless.** Tapping a phone or watch looks like nothing. There is no visible cost, no dwindling stack of bills, no moment of hesitation.
- **In-game currency hides the real price.** Robux, V-Bucks, gems, coins. Converting dollars into a game currency is a deliberate design choice that blurs the price. A child who sees "800 Robux" is not doing the math back to your credit card statement, and neither, often, are we. Small purchases like these can quietly add up over a year to far more than a parent expects.
- **Status moved online.** A digital skin or avatar item functions the way brand-name sneakers did in our middle school hallways. Dismissing it as "not real" misses the point: the social pressure is entirely real, and it is the exact pressure they will feel later about cars, houses, and vacations.

So, the modern job has one extra step. We are not only teaching kids to save and spend well, but we are also teaching them to see money at all when it has been designed to be invisible.

Four Systems That Fit a Real Week

You do not need a curriculum. You need a few small systems that run mostly on their own. Pick one. Add another when the first becomes a habit.

1. The Three Bucket Allowance

Every dollar your child receives gets divided the moment it arrives: Spend, Save, Give. I recommend starting at 50 / 40 / 10 and letting your family adjust. Three labeled jars work as well as any app for younger kids; what matters is that the split happens automatically, before the money feels spendable.

> **Why it works:** it teaches that income is allocated, not just received, which, in my opinion, is the single most important financial concept there is. Adults who budget well are doing exactly this with more zeros.

2. The Money Minute

Once a week, narrate one real financial decision out loud in front of your kids. Sixty seconds. “I wanted the name-brand one, but the store brand is three dollars less and tastes the same to me, so I’m putting that three dollars toward our trip.” Or: “That looks fun, and it’s not in the budget this month.”

> **Why it works:** kids learn tradeoffs from watching, not from lectures. This also quietly replaces the phrase “we can’t afford it,” which teaches scarcity and shame, with “we’re choosing something else,” which teaches agency.

3. Let Them Fail While It’s Cheap

When my child wants to blow an entire month of allowance on something I know will break in a week, my instinct is to save them from it. I try not to. A twelve-dollar regret at age nine is the least expensive financial lesson they will ever get. The alternative is learning it at twenty-two with a credit card.

> **Why it works:** consequences teach what warnings cannot. Your job is not to prevent the mistake, it is to make sure the mistake is survivable, and then to ask afterward, without an ounce of “I told you so,” whether it was worth it.

4. The Parent Match

Offer to match what your child puts into their Save bucket, fifty cents on the dollar, or dollar for dollar if you can. Set a monthly cap so it stays sane.

> **Why it works:** it makes saving feel like winning instead of waiting, and it builds the intuition behind a 401(k) employer match years before they will ever see one. A child who grows up expecting free money for saving becomes an adult who never leaves it on the table.

What to Focus On, by Age

Ages	The one big idea	What that looks like at home
5 to 7	Money is finite and gets exchanged for things.	Pay cash sometimes so they can watch it leave. Three jars. Let them hand over the bills and take the change. Say the price of things out loud.
8 to 10	Waiting can get you something better.	A savings goal on the fridge with a picture and a progress bar. Start the parent match. Introduce earning beyond allowance, with extra jobs rather than core chores. Comparison shop one purchase together online.
11 to 13	Money is a series of tradeoffs, and prices can be manipulated.	A debit card or teen account with a real balance. Convert Robux and V-Bucks back to dollars out loud. Give them a fixed budget for something they care about, such as school clothes or a gift, and let them run it. Talk about ads and influencers as sales pitches.

The Hard Parts

"Everyone else has it."

This one is not really about money, and treating it as a budget question misses what your child is telling you. Try naming the feeling before addressing the request: "It's hard to be the only one without it. I get that." Then be transparent that your family makes its own choices, and that this is a skill, not a punishment. Every adult who has ever bought a car they could not afford was answering the same pressure.

Screens and spending are now the same conversation

Turn off one-click and in-app purchasing and set the parental PIN on every platform your kids play on, today, before you finish this page. Then consider giving in-game money a line in the budget rather than banning it. A monthly gift card that the child manages, and that runs out, teaches restraint. An unlimited tie to your credit card teaches nothing except that money appears when you ask.

Your own money story is in the room

Kids read our anxiety fluently even when we say nothing. If money is a tense subject in your house, and it is in most houses, at every income level, you do not have to resolve that before you can teach. You can simply be honest at an age-appropriate level: "We're being careful with money right now, and we're okay. That's what being careful is for." Calm honesty beats false confidence, and it beats silence by a mile.

Resources Worth Your Time

There is an overwhelming amount of material out there. This is the short list I actually share with friends. Fees and features on paid apps change often, so confirm current pricing before you sign up.

Resource	What it is	Best for
Money as You Grow (CFPB)	Government-run activities and conversation starters sorted by age, plus a recommended children's book list	Ages 3 to 13, best free starting point, takes five minutes to use
Practical Money Skills	Lessons and games, including Financial Football and Financial Soccer	Kids who would rather play than talk
Kids' debit card apps	Greenlight, Modak, BusyKid and Acorns Early pair a real card with parent controls, chore tracking and allowance automation	Ages 8 and up, when cash stops being the main way your family pays for things; Step is built for teens and credit-building
Platform parental controls	Roblox, Fortnite, Apple and Google all have spending PINs, purchase approvals and monthly limits built in	Every family with a gaming console or tablet
Books	*The Berenstain Bears' Trouble with Money* (early elementary); *Sammy Rabbit* titles (the youngest)	Bedtime, and when the lesson lands sideways instead of head-on

One Last Thing

If you take nothing else from this, take this: you are not behind. A child who watches a parent make thoughtful, transparent decisions about money, imperfectly, in real time, with the occasional mistake said out loud, is getting an education that no course can replicate.

Start with one jar. Or one Money Minute this week. Or ten minutes turning on the purchase PIN on the family iPad. The compounding here works a lot like it does in a portfolio: small and consistent tends to beat large and late.

And when the questions get bigger, things like college savings, a first job's paycheck, a custodial account, or how much to tell your kids about what you have, that is the work our team at Sonoma Wealth Advisors does every day. We would be glad to help.

> ***Contact Sonoma Wealth Advisors to schedule a conversation →***

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About the Author



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