

# Values-Based-Allowance from



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# Values-Based Allowance

Ages 5 – 8

\$1 x age = 25% Share, 25% Save, 50% Spend; weekly cash payments; disconnected with chores; help them track w/log book; 1 or 2 goals defined for each category

**Example:** Anna, age 8; \$8/week: \$2 share, \$2 save, \$4 spend; she does jobs around the house because she is a member of the family; parents help her track money in logbook and set goals for each category (e.g. buys items for local non-profit and is saving for a new bike); **Anna's money temperament: share, spend, save**

# Values-Based Allowance

Ages 5 – 8

## Important Takeaways for Anna and her Family

1. Establish a system/process for how they *do* money
2. Focus on *experiential* philanthropy (time and money)
3. Formula applies to *all of the money* she receives throughout the year (e.g. birthdays, holidays, etc.)
4. Parents *communicate* how they share money/time
5. Grandparents *match* some of her share and save money, tell *stories* of what it was like when they were young

# Values-Based Allowance

Ages 9 – 12

\$1 - \$2 x age/week; 25-25-50 distribution; bi-weekly cash payments; amount based on *\$ In – \$ Out* exercise; use logbook on their own – payments are linked to money-tracking; complete *My Money Plan* (laminated it); 2-4 money goals defined for each category (SSS); family may have a job-list (e.g. clean out the garage) for kids to earn extra money

**Example:** Jacob, age 12; \$12 Share, \$12 Save, \$24 Spend (bi-weekly); responsible for non-family entertainment/food, some clothing, electronics; partial summer camp tuition; interested in hunger issues he learned about at synagogue, plans to donate a portion of Bar Mitzvah money to different causes **Jacobs money temperament: save, spend, share**

# Values-Based Allowance

Ages 9 – 12

## Important Takeaways for Jacob and his Family

1. Learning how to **manage money** over a longer time-period
2. Parents talk about their **financial advisor** and **sharing goals** (time and money)
3. Parents take Jacob to the bank at least quarterly to **deposit his save money**.
4. Working hard to learn financial balance, **healthy money habits** – parental role modeling (walk the talk)
5. Participates in **all-family meeting** around grandparent's philanthropy
6. Grandparents **match** some of his share and save money

# Values-Based Allowance

Ages 13-18

- *My Money Plan* exercise redo
- \$ Amount for allowance TBD – based on *\$ In - \$ Out* exercise (goal: transfer accountability/responsibility)
- Migrate to **monthly payments** – cash or direct deposit
- Set 2 – 4 **money goals** per category (SSS) & update as necessary
- Regular **volunteer engagement** (e.g. service projects through school, non-profit, or family activity)
- Kids **track w/ spread sheet or financial program** (follow-through determines payment)
- Use of debit card; credit card (**age appropriate**)
- PT job (**work ethic**)
- **Introduce** brokerage account and financial advisor

# Issues for All Ages

- Set & review goals early and often
- Freedom to choose (with guidance)
- Frequent opportunities to *Share* and *Save*
- Enlist the support of other family members
- Develop *Healthy Money Habits*
- Walk the Talk!
- For more information on Share Save Spend tools and resources please visit [www.sharesavespend.com](http://www.sharesavespend.com)



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# Issues for All Ages

- Set & review goals early and often
- **Freedom** to choose (with guidance)
- Parents have veto-power
- Frequent opportunities to **Share** and **Save**
- Enlist the support of other family members
- Develop **Healthy Money Habits**
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make with our money  
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