

Welcome to the SeaComm Federal Credit Union podcast. Your guide to financial information and what's going on at your credit union.

Four Benefits of Teaching Children to Save

It is never too early to start saving. Something as simple as a piggy bank is a great tool to get your child in a saving mindset, but if you want to prepare them for the future and teach them firsthand lessons about finances, starting a savings account for them is the way to do it. Keep the piggy bank, but once it's full, have them deposit that money into their own account. Here are a few benefits of your child having a savings account.

Learning the Importance of Saving

Spending money is easy, but saving can be hard if it's not a regular habit. Teaching your child about saving now will instill a good habit for the future. Opening an account, depositing money, and going over their account with them as it grows will demonstrate how important saving is. Let them know this is a place where they can put their money from holidays, birthdays, and the tooth fairy. Explaining the importance of saving is easier when you can use their own money as examples. Once your child understands the true value of money and savings, preparing for their future will be something they can do, and will do.

Understanding Money Management

There are plenty of adults who have a hard time managing their finances and you don't want your child to be one of them. Opening a savings account for your child will teach them to track and control what they earn and spend. Helping them keep an eye on their account will eventually lead them to managing their finances on their own, once they are adults. It is a good practice to bring your child with you when you take care of your finances at your local SeaComm branch. This helps to create familiarity and trust, especially when it comes to finances. If they are comfortable depositing money and eventually using a debit card, by the time they are on their own, managing their funds won't be as intimidating or difficult for them.

Creating Responsibility

Getting in to the habit of saving is great, but eventually your child will be old enough to use the money they've saved for certain things. Maybe they'd like a car to get to their first job, or maybe they will learn about investing at a young age. Allowing your child to be responsible for their own finances can give them a sense of pride, but also teach a lesson about spending money on the right things. If they start saving now, their safety net will be that much bigger when they really need it. Accidents happen, and sometimes unforeseen expenses create uncertainty, but the lessons and experiences created by having a savings account at a young age will allow them to deal with those types of challenges.

It Encourages Goal Setting

Starting a youth savings account will open up a world of possibilities for their future. At a certain age, it is good to have a conversation with your child about their goals. It could be something as big as college, a vehicle when they learn to drive, or even a new bicycle. Smaller goals might be a video game, or a gift for a friend or family member. Starting an account early means by the time your child is a teenager, they'll look at what they've been able to save and have a better picture of their future.

With a SeaComm Moola Moola Account, your child will receive quarterly statements, so you can go over their accounts with them. They will also have online access to their account, and even earn dividends on balances over \$5. In addition, Moola members are provided with a punch card and each time a child makes a deposit, the card is hole-punched by the SeaComm staff member accepting the deposit. Once the card is filled, SeaComm will automatically deposit a \$5.00 reward to the Moola member's account! Each deposit must be \$1.00 or greater, and needs to be conducted by the child. This is a great learning tool, and the early exposure to finance can help prepare your young saver for money management into adulthood. To get started, visit your local SeaComm Branch, or go to SeaComm.org/moolamoola.html.

That's it for this edition of the SeaComm Federal Credit Union podcast. Thanks for joining us!