How can I teach my preschooler to not lose money?

Many preschoolers misplace money. This is because coins are small and hard to keep track of. Young children also do not understand how much each coin or dollar is worth. Having a special money holder helps young children get used to putting money in one place. Taking coins and bills out of the holder for spending helps children understand their values.

A Money Holder

Materials needed:
- Jar or other container with a lid, such as a plastic butter tub
- Construction paper
- Tape or glue
- Markers or crayons
- Magazines or catalogues

Step 1: Explain what you will be doing together (read through entire activity before you begin)
The two of you will make a special money holder. Your child can keep money in this holder until it is time to go to the store. Make it clear that your child can decide how to spend the money in the holder.

Step 2: Decorate the holder
Help decorate the holder with drawings or pictures of items your child might like to buy. Glue or tape the drawings and pictures to the holder. Write “[Child’s Name]’s Money Holder.”

Step 3: Put money in the holder
Remind your child to put coins and bills in the money holder. This money might come from gifts. Your child also might earn it doing simple jobs at home.

Help decorate the holder with pictures of items that your child might like to buy.

Remind your child to put money in the holder.

(continued)
Step 4: Spend the money in the holder
Let your child take money from the jar the next time you go to the store. Help your child match the money needed to buy something with its price tag. When spending the money, praise your child’s success in not losing it.

Ideas to talk about
★ People decide how and when to spend money before they go to a store.
★ Money has value because you can trade it for something else.
★ Putting money aside to spend later is called saving.
★ Saving allows you to buy something in the future when you do not have enough money today.
★ You can keep track of money by putting it in a special holder at home.
★ You do not have to spend all the money in your holder. What you do not spend in one day you can save and spend another day.
★ Spending, saving, and sharing are ways to use money.

◊◊◊ Notes ◊◊◊
Use this activity with your child’s older brothers and sisters. Older children, of course, might not need as much help.

Consider an allowance for your child. Having a steady income can help your child learn to use money wisely.

Your child can use the money holder to keep savings in. This activity goes well with “A Savings Chart” (in “How can I teach my preschooler to wait to spend money?”).

Your child can use another holder labeled “Spending” to keep money to spend at the next opportunity.

Your child can use another holder labeled “Sharing” to keep money to buy gifts or give to charity.

This activity goes well with “A Paid Chore” (in “How can I teach my preschooler about earning money?”).

Find more “How can I teach my preschooler about money” activities at www.creditunion.coop.

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