



Allowance? Not on MY Dime...

No matter a family's financial circumstances, preparing children to understand and manage money is a shared parental ambition. Whether you're looking to instill a sense of value, foster independence, or simply avoid common financial pitfalls, the question of 'allowance' often arises as a first step—and a point of hesitation. Many share a similar sentiment:

"We want our children to have a strong grasp of finances, perhaps stronger than our own. But the idea of simply handing over money, especially when we're already providing so much, feels like it might miss the point."

This tension is incredibly common and real. While allowance can certainly be a powerful tool for teaching money skills, it's far from the only one. **What if providing an allowance isn't the right fit for your family right now?** It doesn't mean you get a pass on financial education. In fact, some of the most impactful money lessons unfold naturally in everyday life, without a single dollar ever changing hands.

The following handful-plus of suggestions are offered as practical ways to help kids build financial awareness, agency, and confidence without giving a dime; while not the be-all, end-all of solutions, it should provide some guidance.

Suggestion #1: Budget Non-Money Resources Like Time, Treats, and Tokens

Kids don't need cash to learn the basics of budgeting. Let them manage something else finite: screen time, bedtime books, choice of dessert, or "Your Choice Within Reason" tokens:

"Let's see...you made your bed every morning this week, cleaned up your room, and helped your sister with her homework- you earned your allowance of three tokens. A movie night is three tokens...do you want to use them now, or save up for something else? Totally up to you."

Expect pushback and bartering, but also the gained experience of trade-offs, delayed gratification, and (possibly, but eventually) the regret of blowing it all too fast...which I'll wager we've all done at some point.

Suggestion #2: Talk Out Loud When Making Financial Decisions

Kids are always listening...even when we think they aren't. Use your own choices to model money management in action:

"Oh, look- toilet paper is on sale at Costco- I know we have some at home, but we'll need more in a few weeks."

"I love that dress, but I know that I will literally only wear it one time and then it will hang in the back of my closet. I think I'll look around for something that I'll wear more often."

Ironically, the times we *want* our kids to hear what we say is the times they'll intentionally close their ears. Hearing you muse aloud works much better than any lecture, and provides clear, age-appropriate transparency.

Suggestion #3: You're the CEO, But Let Them Be the Grocery CFO

When you go to the grocery store, resist two urges: getting in and getting out quickly, and encouraging them to tune out by handing them an iPad. Grocery shopping can be stressful, *particularly* with children. As difficult as it might be, embrace it as a big learning experience. If kids see you rushing through the store, they'll assume you are impulse buying without looking at prices, even if *you* know that's not the case. Hand over part of the shopping list and/or challenge them to compare items:

"We need fruit for snacks. Can you find an option that's under \$3, and one that's organic?"

"Hmm. I was thinking tacos for dinner tonight. Can you find everything we'd need for less than \$15?"

"I feel like this peanut butter is the same as this one, just more expensive. Will you check the ingredients for me?"

When kids feel responsible for real decisions, then grocery stores feel more like learning labs and less like "boring places for adults". And if you're using the self-checkout machines, let them guess what the total amount will be and assist in scanning (the decision to adhere to or ignore the '10 items or less' is entirely up to you).

Suggestion #4: Talk About Value, Not Just Price

In your conversations and in response to questions, help children understand that true value extends far beyond a monetary cost. Some experiences, items, or relationships hold immense worth due to the effort involved, the joy they bring, or their lasting impact, whether they are free or a significant investment. This helps cultivate an appreciation for resources, not just their acquisition.

"Sure, swim team is expensive, but we think it's worth it because you love being part of the team and competing."

"Let's explore the local library this weekend; there are incredible resources and new books available to us. Accessing knowledge and stories freely offers a different kind of richness and demonstrates a smart use of what we have, regardless of what we could purchase."

"I know we could go out to eat tonight...but I would much rather share a bowl of mac 'n' cheese with you in our kitchen and talk about your day."

Follow-up is paramount; if you hold up your end of the bargain, then you're effectively demonstrating prioritization and values-based spending, which far outweighs whatever dollar amount you'd be able to offer as allowance.

Suggestion #5: Start a “Wish List Ledger” or “Goal Board”

If you have kids older than, say, five-years-old, you’ve probably heard a muttered variation of the following: *“I just wish I had enough to buy this today…”* or a strident *“I want this now!”* You can put your foot down in the moment, but later invite your child to dream, then plan. Even if the money isn’t coming from them, they can still research, track, and reflect:

“Let’s write down what you’re saving for and think about how to work toward it over the next few months.”

“Should we make a chart or a savings jar for your big goal?”

While I admit this is incredibly difficult to do (rare is the kid who stops at one attempt to get something they have their mind set on), this practice profoundly builds delayed gratification and introduces the essential concept of planning for significant aspirations, rather than merely expecting instant fulfillment. It cultivates patience and a deeper appreciation for what they receive.

Suggestion #6: Play Financial Games Together

Board games like *The Allowance Game*, *Pay Day*, or *Monopoly Junior* are tried-and-true options that have stood the test of time (with some revision over the years). Each of them offers built-in lessons, and they’re a staple in many elementary school classrooms. They are way more fun to play with family, however, and will probably never be filed in the “time wasted” categories of your brain.

If your child wants to explore on their own, **Peter Pig’s Money Counter** (ages 5-8), **Lemonade Stand** (ages 8-12), and **Financial Football/Soccer** (older kids) are well-designed, free, online options. In addition, an app like **Plan’it Prom** has game-like features with real life context. Regardless of how they do it, play becomes practice, and kids start to internalize concepts they’ll later live out.

Suggestion #7: Discuss Money Ahead of Big Decisions

Consider scenarios such as:

“Our family loves to travel, and we’re thinking about a trip to Greece this summer. You know that we’re thinking about redoing the family room, however. Both are exciting, but we can only do one right now. What do you think?”

“We’re thinking about getting a new car for the family. A bigger SUV could be good for road trips, but an electric car could be better for the environment and save money on gas. Do you think you’d want to research options for us?”

“Your grandparent needs more support around the house. How can we contribute to their care and well-being as a family?”

While it’s often simpler for parents to make decisions independently, these conversations are invaluable. They teach children about complex tradeoffs, opportunity cost, and the profound responsibility that

comes with managing significant resources—whether it’s financial capital, time, or specialized skills. **Empower them with a voice.** Truly *listen* to their perspectives. Then, once all factors have been carefully weighed, be transparent about the final decision and the strategic rationale behind it.

If your child is asking good questions about money, showing curiosity about why & how your family makes decisions about spending, and gaining self-awareness about choices, tradeoffs, & budgeting, then you’re already doing the teaching without necessarily realizing it. If they’re not quite there yet? You’ve got to start somewhere, and these small, everyday invitations get the wheels in motion for future conversations.



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