

Why parents should teach their kids to give

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Financial education often stresses the importance of earning and saving, but new research suggests that one of the most valuable lessons parents can teach their children about money might be how to appropriately give it away.

The study, led by University of Arizona researcher Ashley LeBaron and published in the *Journal of Family and Economic Issues*, explores how financial-giving habits are passed down through generations, and how early life lessons in giving may contribute to personal and financial well-being later on.

Existing research has established that [children](#) learn more about finances from their parents than any other source. In previous work, LeBaron highlighted how important it is for parents to give their children hands-on experience with money, in addition to having discussions with them about money and presenting a good financial example.

LeBaron's new study suggests that hands-on experience with giving may be particularly important.

LeBaron and her collaborators interviewed 115 participants, including [college students](#), parents and grandparents, about what they learned about money from their parents. The parent and grandparent participants also were asked what they taught their children about the topic, ultimately providing researchers a picture of how financial lessons are shared across four generations.

Participants were not asked to talk about financial giving directly, yet nearly 83 percent of them brought it up as an important part of the [financial education](#) they gave or received.

"When you think about money and what kids learn about money from their parents, most of us wouldn't think about giving as one of the basic principles of finance," said LeBaron, a doctoral student in the Norton School of Family and Consumer Sciences in the UA College of Agriculture and Life Sciences. "We tend to think more in terms of budgeting and saving and things like that, so it was surprising, but really cool, to see that giving was so prevalent."

Participants described different motivations for teaching their children about giving, including a sense a religious duty, a desire to help others and a desire to give back. They generally talked about three different types of giving:

Charitable donations. This encompasses monetary gifts to religious or charitable organizations. Acts of kindness. This includes donations, gifts or acts of service provided more directly to people in need. Examples might include providing meals for homeless individuals or purchasing Christmas gifts for neighboring families in need. Investments in family. This category encompasses financial decisions made by parents to benefit their children or family. For example, some parents might make financial sacrifices in order to enroll a child in sports or music lessons, or to plan a family vacation.

Teaching kids to give is important for a couple of reasons, LeBaron said.

From a practical standpoint, it can be a good way for kids to learn financial basics, like budgeting and saving. For example, some [study participants](#) talked about having money jars from a young age, with one jar dedicated to money they would save, another for money they would spend and one for money they would give.

"If a certain percentage of your money goes toward giving, that's the start of a budget right there," LeBaron said.

Lessons in giving may also help set the stage for a happier, healthier future.

"People who are generous tend to be happier and have healthier relationships, so this is shaping not only kids' finances but aspects of their health and well-being," LeBaron said.

Parents who already make it a habit to give financially should make it a point to let their children witness that behavior, LeBaron said. Or even better, they should consider involving their children directly in giving activities.

LeBaron and her colleagues also found that just as parents can influence their kids' financial behaviors, so, too, can kids influence their parents.

"Parents and grandparents report that they have this awareness that their kids are learning financial attitudes and values from them, so sometimes they were more giving because they knew that their children were watching them, and they wanted to set that good example," she said.

LeBaron said she was inspired by how many people in the study stressed the importance of giving and caring for others. She said it could have implications for not only how [parents](#) talk to their kids about [money](#), but also how educators discuss the topic.

"In finance classes, we never talk about giving," LeBaron said. "But we learned that giving is maybe one of the more important facets of financial socialization, so we need to be paying more attention to how it is taught."

More information: Ashley B. LeBaron, The Socialization of Financial Giving: A Multigenerational Exploration, *Journal of Family and Economic Issues* (2019). [DOI: 10.1007/s10834-019-09629-z](https://doi.org/10.1007/s10834-019-09629-z)

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