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Financial Planning and Education from a Biblical Worldview Since 1978

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~ TRAINING UP OUR CHILDREN ~ PRACTICAL APPLICATION



The Four-Quarter Method of Stewardship

Being a wise biblical steward is a mindset. It needs to be demonstrated and modeled before our children copy the errors of the world and suffer its consequences. A simple and proven method that works in your home is called "The Four Quarter Method of Stewardship." It teaches the children;

- ✓ Biblical Priority
- ✓ Individual Responsibility

Starting at around age six, give a child 4 quarters every week as a teaching tool. This money is NOT for work or chores performed around the house. It is a SHARING OF THE HOUSEHOLD INCOME which provides the opportunity for you to teach your children about money management. If you pay the children for chores, keep that separate from what we are advocating here. The Four Quarter Method is a venue to teach, not pay for expected chores. Because they are part of the family unit they should have responsibilities every week.

Go out and buy two piggy banks or small lock boxes for each child. Mark one as "short-term savings" and the other as "long-term savings." You need to keep your lessons simple to use and to understand, so always use quarters until the child is age 13 and then add dollar bills. Explain how the 4 quarters are to be used. The first quarter goes to the Lord. We're not teaching a percentage of giving here, a young child does not understand fractions. **You are teaching the principle of priority!** The second quarter goes into short-term savings. This is for gifts, youth activities or upcoming events the child might participate in. The third quarter goes into long-term savings. This is for college, graduation and marriage expenses. At young ages the children don't understand all these things, BUT WE ARE TEACHING THE IDEA OF FINANCIAL PRIORITY! [Parents, learn an important point here not only for your children, but also for yourselves; never co-mingle short and long term savings.] The last quarter is for discretionary spending. Most young children cannot even say that word! But it is this money that they can spend, save or give away. What we are trying to establish is the concept of sequential priorities with money.

Each Sunday morning when you give your child their weekly allotment, have them bring out their banks and tell or help them understand how the money is to be divided up. This constant teaching tool will provide many opportunities to reinforce the underlying concepts of financial priority and responsibility. It also provides a simple method of accountability. Remember; if you don't inspect it, don't expect it!

Mom's and Dad's with younger children, this will take time, discipline and work, but the rewards can be great. Too many parents within the Christian community simply toss money at their children when financial needs arise. For example; your child has a field trip, a youth outing, a birthday party or even wants a specific item of clothes. The wallet or purse come out, the money is given, and the children spend it all. WHAT HAS THAT TAUGHT THEM? Look for ways to teach your children God's wisdom in order to be an effective disciple maker for Jesus Christ.

As the children get older, as the chart below indicates, increase the amount they are responsible for. Once they're old enough to earn their own money, hopefully this system will have them well on their way to financial wisdom.



Remember,
begin at ages 5-6 with four quarters;

Age 7	\$ 1.50
Age 8	\$ 3.00
Age 9	\$ 3.50
Age 10	\$ 4.00
Age 11	\$ 5.00
Age 12	\$ 7.00
Age 13	\$ 9.00
Age 14	\$ 11.00
Age 15	\$ 13.00
Age 16	\$ 16.00

Keep these SEVEN RULES

- 1) Always share the household income on Sunday morning. A portion goes to the Lord each Sunday
- 2) Save a portion every week into both short term and long-term savings banks. Weekly savings must become an absolute part of the training. We must teach

our children to become systematic savers.

- 3) Don't allow the children to borrow from their siblings or parents. Also, there are no advances. Older children have a tendency to spend all their discretionary money and then go to their younger siblings for a loan. Anticipate that and stop it before it happens. **NO BORROWING!**
- 4) Never allow the children to spend 100% of their short-term savings. Teach them to always keep some cash reserve.
- 5) If the children choose to save part of their discretionary money, at the end of the year, reward them for their choice and match what they saved. After all, the scripture does teach reward for faithfulness. Open up a mutual fund with that money and teach them about investing with their reward money. In other words, if they saved more than they needed to bless them!
- 6) When the children are earns \$25 in a week, they no longer need an allowance that week but continue to monitor how they handle their money.
- 7) Lastly, teach your children there will never be co-signing for a bank or car loan of any kind.

Here's what parents can learn from this!

- To seek to give generously; to the Lord, to others and to your children so they can learn
- To save for short term planned as well as unexpected bills
- To save for long term needs like schooling, the house, a business and retirement
- To keep separate accounts for short and long term needs
- To do your best to avoid credit debt
- To be thankful for God's blessing on wise and careful stewardship
- To use every sound opportunity to teach your children about wise money management