

Family Cash

By Leon Scott Baxter

(SantaBarbaraParent.com – April 2009)

Times are financially hard for us Americans. Money is tight. We are looking to hold on to the money we have, bring more money into our pockets, and reduce our spending.

As a father, my daughters have been asking me about what's going on with the nation's economy. They've heard things on TV or discussed the topic at school. So, I realized I wanted my daughters to have money skills, so they could traverse life's economic and financial obstacles with experience and wisdom.

My wife and I give the girls allowance for their chores. They stash away some of their birthday cash into their mutual funds. They have savings accounts at our bank. The older one has purchased shares of Intel and Disney and also has her own business, which she started with a loan from the Bank of Mama and Papa. But, we thought it important to add one more piece to this money puzzle: family cash.

Unlike allowance, which is paid for completed chores, family cash is paid based on attitude, good behavior and character. And, family cash is not actual U.S. currency. It's just what its name implies, currency that can only be spent within our family.

I hopped on the computer with a couple of photos of my daughters and a one-dollar U.S. bill by my side and got right to work. I scanned the girls' photos into the computer, then started building our family cash template using the dollar-bill as a model. Instead of George Washington, Maya, my youngest has her face on her bill (which is called "Maya Money"). And, Madison has her face on hers (Maddie Money).

And, I just made the rest of the bill pertinent to the family or to the girl. The serial number reflects their birthdates. The ages are on the bills. They are signed by me. Instead of a bald eagle, the bills are emblazoned with a chicken.

I printed originals, ran them off on green paper, cut them to size, and Voila!, we have our own economic system.

Of course, if you choose to try something like this yourself, you can individualize it to make it your own. You also can decide how the money is to be used in your home and what a dollar represents. My wife and I decided that one of our family bills would be worth about twenty-five U.S. cents.

The next step was to create the “Incentive Catalog”. We sat down with the girls and brainstormed things they’d like to earn. This step was pretty crucial. Their involvement allowed them to “buy in” to the new family economic situation. Of course, there were the material possessions: the American Girl Dolls and Webkinz. There were the outings: Chuck E. Cheese’s and bowling. But, what we really wanted to emphasize were the things that you usually can’t purchase: an extra bedtime story at night, thirty minutes of “my choice” activity, a trip to the library, choice of the weekend movie, going to bed half an hour later on Saturday night... The catalog is in constant flux, new items are added and items earned or no longer yearned for are discontinued

And, what about payment? In our family this is how it works. Each girl gets one bill at the end of the night if they had a fine day. They can earn extra bills if Mom or I deem an act as “giving of oneself”: sharing, complimenting, letting someone else have the biggest slice of pie, etc... So, they can theoretically earn many bills each day. On the flip side, though, Mom and I also have the power to fine (which also distinguishes itself from allowance).

If we’ve asked a girl to pick up her shoes and five minutes later those shoes are still there, they owe us a buck. If they say something hurtful to their sister, costs them a buck.

The family cash has been a great tool in our home. The girls realize that they can earn things, so they set “financial” goals for themselves. They have short-term goals (things that cost maybe \$5.00) and long-term goals (a \$400 doll). They understand that Mom and Dad can pay them (giveth) and also taketh away. They learn that their pay is contingent upon their behavior and character. And, it’s also really been a wonderful math supplement to what they learn in school.

Maya, our five-year old, is using the family cash to learn counting. Once a week she opens her “safe deposit box” (an old check box) and counts her money. Then, she works on figuring out how much more she needs to reach her newest goal.

Madison, the fourth grader, has another component to her family cash. See, I only printed up about fifty bills for each girl. As a result, when Madison has earned over fifty dollars, she needs to deposit her cash into the Bank of Mama and Papa. And, in doing so we teach her how to keep a bank account ledger and how to balance it.

The family cash system is motivating, character-building, educational, and has been a fun experience for our entire family.

