

Helping Children Understand Time, Talent, and Money

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Understanding concepts like time, talent, and money can be challenging for young children. Bradford Wiles, a child development specialist with K-State Research and Extension, explains, “Early childhood is filled with symbols. Money is one of those symbols—it represents time, talent, effort, and investment.”



Wiles notes that the idea of earning money—trading time and skills for a reward—begins to form at a very young age. “As children grow and gain independence, money becomes more meaningful to them,” he says. However, young children often do not fully understand its value. For instance, they may choose a nickel over a dime simply because it appears larger. Understanding what money represents is a developmental milestone that children must achieve before they can grasp the concept of saving.

Moreover, money is frequently a source of conflict within families, and children pay close attention to how adults manage it. “Kids learn what it means to be a person by observing the adults around them,” Wiles states. “This includes learning about money and resources. Parents can set a strong example by modeling positive behaviors, such as balancing spending, saving, and giving.”

Wiles provides an example of a child asking for a toy in a store. A typical response might be, “We can’t afford that,” which could lead the child to think the family has no money. Instead, he recommends saying something like, “That’s not in the budget right now,” or explaining that the family has other spending priorities. “It’s not about avoiding spontaneous purchases,” he emphasizes. “It’s about teaching children that managing money involves considering long-term goals and making choices that align with those priorities.”

Children can also learn the value of money by earning it through their efforts. “In many households, this starts early,” Wiles explains. “Giving kids responsibilities around the house and rewarding them, whether with money, extra playtime, or other privileges, introduces the concept of earning.” He adds, “Kids understand the idea of receiving something in exchange for their contributions long before they fully comprehend money itself.”

By helping children connect their efforts with rewards and modeling thoughtful financial habits, parents can establish a foundation for lifelong financial literacy.

For more information on money management for youth, please contact Amanda Clasen, Community Vitality Agent, at amclasen@ksu.edu or at 620-244-3826.