



Raising Money Smart Kids

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GARAGE SALES AS MONEY LESSONS FOR KIDS

On any given Saturday morning in Nassau, you can take a drive along the busy streets and see countless tree signs and large posters signaling the location of a garage or patio Sale. This phenomenon of “one man’s trash is another man’s treasure” is not new to the Bahamian culture. Further, as the Christmas season quickly approaches, it is an even better idea to make sure you find creative ways to earn a few extra dollars. However, how many of us have actually thought about getting our kids involved in this valuable activity?

Garage sales have much more uses than just getting rid of old junk. They can be a very useful tool in teaching children about organization, conservation and money matters. It not only gives them an opportunity to make a few extra dollars but I strongly feel that these ventures will contribute to your child’s desire and successes on owning their very own business in the future. Kids would experience on a small scale what goes into running a small business from the selection of goods to be sold to the final transaction with the customer. This is a low cost option for teaching the financial and entrepreneurial life skills that are sure to come in handy through their lives.

So what must you do to get kids started? Jona E. Kessans, author of “Simple and Frugal living” provides an excellent set of pointers to help you organize this process along with your child.

For Children 8 and above:

Gather Goods to Sell

Have your children go through their items to determine what they are ready to sell, part with, or outgrown. You as a parent have veto power, but quite often children will not even think of parting with something they still use. As a matter of fact you may have to “assist” them in this step since it is likely they will want to keep just about everything they own. Be ready to ask them these questions: When was the last time the item was played with or used?

- 1) Why do they wish to keep it?
- 2) What does it mean to them?

Having children answer these questions helps them to determine what items they wish to keep and those that have little value or use to them. This step teaches children the importance of letting go of stuff they won’t use again and really don’t value. Having children de-clutter their lives this way is a valuable skill that will serve them well throughout life and keep them from falling into the “packrat trap.”

Prepare Goods for Sale

Have children prepare items for sale by cleaning dirty items and boxing items into separate boxes labeled “(Name)’s Garage Sale Items. This way, when it is time to set up for the big garage sale day, your children will be able to find their “stock” easily.

Assist your child with pricing the items to sell. Go through each item one-by-one and ask your child the following questions to help them determine an acceptable price.

- 1) How much do you think this is worth?
- 2) How did you determine that price?
- 3) Do you think someone will pay your price for this item?
- 4) Should we ask _\$ _ amount for this?

By asking your child these questions, it helps them to critically think about the value of items and their worth. By making pricing suggestions, it assists them with setting realistic prices. This step helps children learn the relative value or worth of items and gets them to think about how much the buying public would pay. Asking the question, "Should we ask _\$ _ amount for this?" is a way of helping your child set a realistic price for the item.

Preparing for the Grand Opening

Set up an individual table for each child next to where you will be collecting money from customers. This way you can monitor and assist each child with customer transactions if need be and protect them from unscrupulous "buyers."

Have children set up their displays themselves. By completing this step, with your help and suggestions, children learn how to display items in a visually pleasing way that will attract customers. It is also recommended that you ask children to name their little business to add further appeal. For example, the name "Tara's Treasure Pot" is a create way to promote the stuff they will be selling.

Day of the Grand Opening



Provide your child with a change apron (available at most dollar stores) and with a small amount of change such as 2 \$1.00 bills, 6 quarters, 10 dimes, and 10 nickels i.e., \$5.00 in change. This way they can collect payment for their items and if necessary, make change for customers. Children are able to reinforce their counting skills and learn how to interact with customers. Most importantly, allow your children to keep the proceeds from their sale, having them put **at least half** of the "profits" into their savings accounts. When children are allowed to keep the proceeds from the sale of their items, they are eager participants.

Let younger children who also wish to participate in the garage sale can by selling refreshers such as lemonade, popsicles or ice tea. Set up a small table with a cooler full of various soft drinks and ice. Place a simple sign on the front of the table. Allow your younger children to sell drinks, helping them with change counting or selling as needed. This way, they still get the experience and knowledge gained by running their own "small business."

Purchasing things at garage sales also teaches your children that second-hand or used is OK. Showing them how much items cost in the store sets the ground work. When you are out at garage

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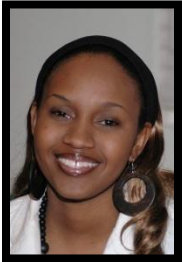
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sales and see the same or similar items for much cheaper, point them out to your child. Many times items show hardly any wear, yet can be bought for significantly less. So a toy they longed for at the store but they didn't have enough money saved, is now within their reach for a very reasonable price. And when they get tired of it in a few months, they can resell it at their garage sale for about the same price as what they paid. We must begin to change the mindset of our kids. This is a tangible way to do it!

The country's youth will witness the first ever Kid's Only Garage Sale and Financial Literacy Show on November 15th, 2008 from 10am – 3pm at Arawak Cay. Parents are encouraged to bring their sons, daughters, nieces and nephews to witness other kids working as young entrepreneurs. Who knows what low cost treasures that may await your child just in time for Christmas! For more information on this event or for tips on how set up your child's own sale, call us at 341-5860.

Let us all work together to empower our future leaders to become entrepreneurs, savers and investors. It makes for a much better Bahamas!!!

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Keshelle Kerr is the owner of Creative Wealth Bahamas, a subsidiary of an organization located in Santa Barbara, California whose mission is to put kids, teens and young adults on the road to financial independence. She writes a bi-weekly column for The Nassau Guardian and the Grand Bahama Info Newsletter.

Send your comments and questions to keshelle@creativewealthbahamas.com.

For a list of program visit our website at www.creativewealthbahamas.com . For customized programs or talk for your special events, call or email us.

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