



Developing Resilience in Kids

You've lost your job, had your hours reduced, or are overwhelmed with debt. Financial hardship is knocking at your door. How will you handle your misfortune and turn the situation around? And how do you explain it to your kids?

Changing financial circumstances can deal anyone a blow, especially if unforeseen. How we respond shows our ability to adapt and move forward. And because we are role models for our children, they'll take their cues from how we handle things. If we show our stress and anxiety, they also will become stressed and anxious. They may display these emotions through loss of concentration at school, getting lower grades or blaming themselves for being a part of the family's problems. However, if we view our setback with a more positive outlook, such as a challenge to be overcome, they will follow suit. And in the process, we can teach them the life skill of resilience.

When discussing resilience with kids, begin by introducing the saying "like water off a duck's back." Tell them this phrase is used to convey the idea that when something negative happens, it has little or no effect on you. Explain that this saying originated because ducks have oily feathers and water can't get through them, so it runs off their backs. The phrase is used to describe how someone handles a negative situation without being affected.

Tell them that everyone needs to develop resilience, or the ability to face, overcome and be strengthened by the difficulties in life. Whether it's a parent's job loss, a personal problem or family emergency, they should learn to respond to the challenge in a positive way and move on. Discuss that becoming resilient will help them cope with their difficulties, both financial and otherwise, so that the problems

will "run off their backs."

Try the following suggestions to help kids develop the skill of resilience in financial situations.

Face the difficulty:

- To help kids face the new reality, call a family meeting to explain the situation at a level they can understand. Explain that because of the financial change, your family must use money to buy needs, such as food, shelter and clothing, before wants, such as toys, electronics and vacations. Discuss specifics, such as limits on birthday parties and trips to the mall.

- Tell them that your family is not the only one that has been affected by this type of situation. Others have had financial difficulties and have overcome them successfully.

- Emphasize that the new situation is not their fault and assure them that the family will face the challenge together.

Overcome the difficulty:

- Ask kids to help you think of ways to cut back financially to meet a goal of reduced spending. Listen to all suggestions offered, and take them up on reasonable ideas. They will be proud to know that they helped solve the problem.

- Invite older children to participate in developing a new family budget reflecting the financial changes. Discuss monthly income and expenses so they will have a realistic picture of what the family can afford.

- Project confidence in discussing financial solutions. Tell them that things will improve soon with their understanding and support.

- Develop an optimistic outlook by reminding kids to focus on what they have, rather than what they're giving up due to financial circumstances.

Be strengthened by the difficulty:

- Tell kids this situation is an opportunity

to showcase their problem-solving abilities. Challenge them to think of “outside the box” ideas, such as starting a home business to raise funds. Try *Solve It!* the financial challenge game, on page 24 to practice their creative problem-solving skills.

- Discuss that this financial problem may help refine their decision-making abilities. It will give them practice making wise money choices now and in the future.

- Emphasize that opening a savings account as an emergency fund is a proactive way to alleviate financial difficulties as they arise. Follow through by taking kids to the bank to set one up.

As you work to rise above financial issues, remember that most kids can learn

resiliency and bounce back quickly with the proper guidance. And as kids transition and move forward, those problems will be quickly “running off their backs.”

Michele Wulff is a former public school educator of 30 years and a recipient of the national peer award “Excellence in Teaching Economics.” As an economic education coordinator with the Kansas City Fed, she offers practical advice on how to educate young people on personal financial matters.



Financial Education Resources

The Kansas City Fed is committed to promoting economic and financial literacy and greater knowledge of the Federal Reserve’s role by providing resources for teachers, students and the public. Visit our website at KansasCityFed.org for more information.

FEDERAL RESERVE RESOURCES

The Piggy Bank Primer: Saving and Budgeting

An online workbook that looks at wants and needs, tracking spending, and developing a savings plan. For ages 5-9.

Great Minds Think: A Kid’s Guide to Money

This online booklet gives spending and budgeting tips. For ages 8-12.

FICTION BOOKS

The Berenstain Bears Get the Gimmees

by Stan and Jan Berenstain
Brother and Sister Bear want everything in sight! Mama and Papa Bear teach the cubs about the family budget and the importance of appreciating what they have. For ages 4-8.

NON-FICTION BOOKS

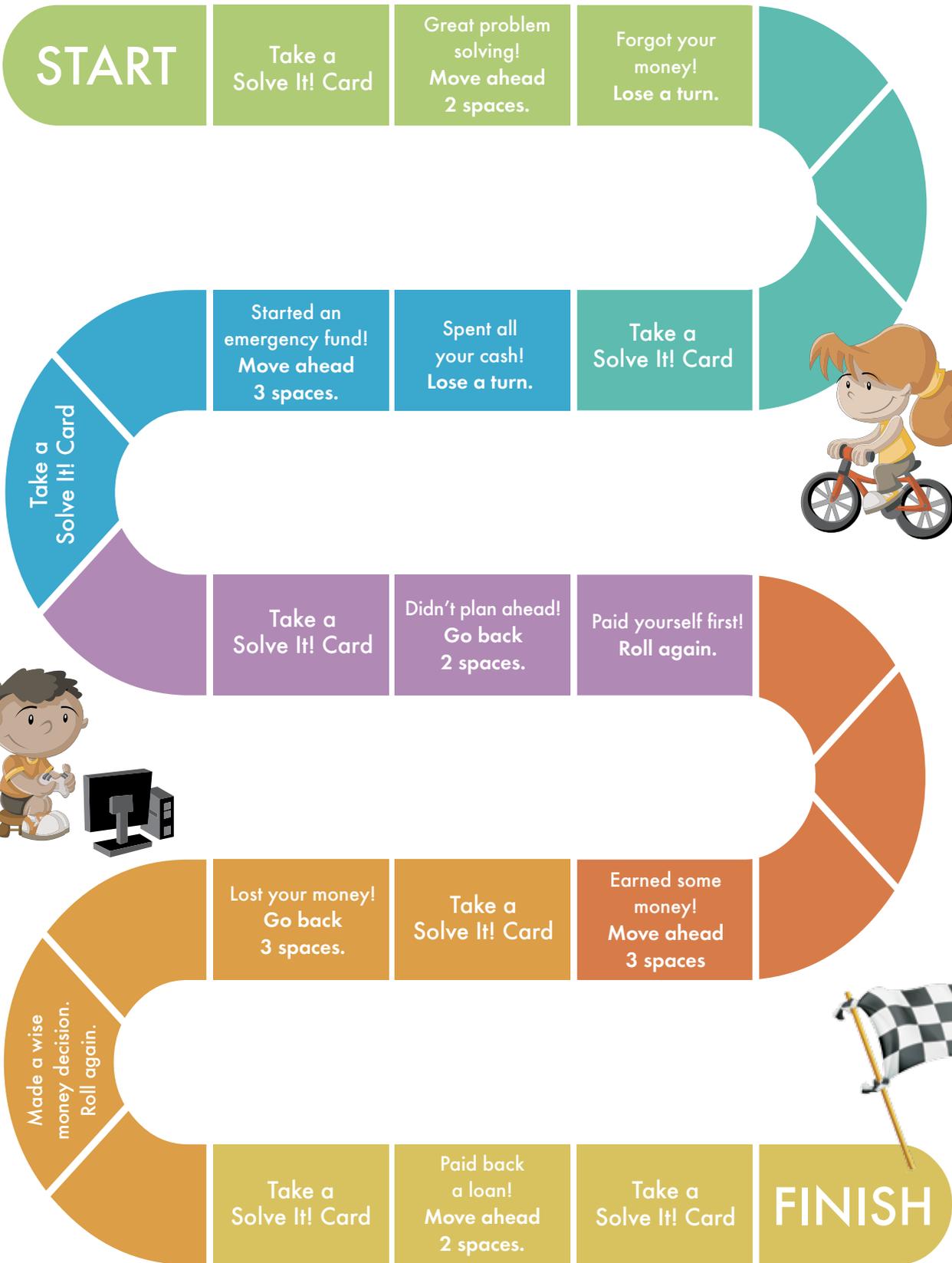
Building Resilience in Children and Teens: Giving Kids Roots and Wings

by Kenneth Ginsburg
This book suggests coping strategies to help children from 18 months to 18 years build the seven “C’s”—competence, confidence, connection, character, contribution, coping, control—needed to bounce back from life’s challenges. For parents/families.

The Resilience Factor: 7 Keys to Finding Your Inner Strength and Overcoming Life’s Hurdles

by Karen Reivich and Andrew Shatte
The authors share seven proven techniques for enhancing our capacity to weather setbacks. For adults.

Solve it! The financial challenge



The first player to the FINISH LINE wins

Directions: Cut out the Solve It! problem cards below and place them face down next to the game board page. Using a coin as a marker, play the game by taking turns rolling a die and moving the number of squares shown. Follow the directions on the square you land on. If you need to take a card, pick one and read the financial problem out loud. Solve the problem by thinking of a creative way to cover the problem's cost or coming up with an alternative solution. You must give a different solution to each financial problem. The first player to the finish line wins!

You forgot to bring the money for class pictures and it's due today!

Solve it!

Your mom's birthday is tomorrow and you need a gift quick!

Solve it!

You promised to pay for a new soccer ball if your dad let you join the team.

Solve it!

It's time to buy holiday gifts for your family and you're short of cash.

Solve it!

The field trip is today and you didn't bring bus fare.

Solve it!

Your goldfish is out of food and you are responsible for buying more.

Solve it!

You want to join your friends at a movie but you're out of money.

Solve it!

You lost the cash you brought to school to buy lunch.

Solve it!

You promised to pay back the money your sister loaned you by today.

Solve it!

You want to go to the basketball game but don't have enough money for admission.

Solve it!

Your library book is overdue but you don't have money to pay the fine.

Solve it!

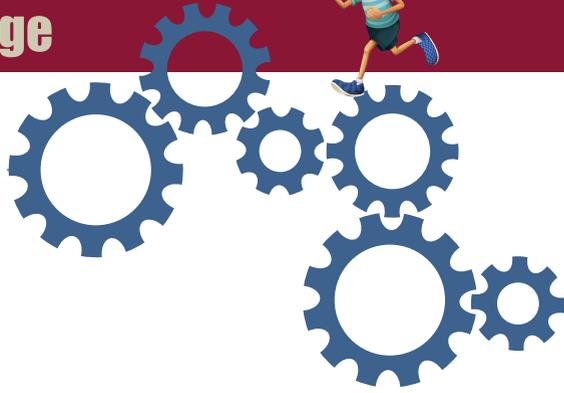
Your babysitting job fell through and you were counting on the cash to pay back mom.

Solve it!

Solve it! The financial challenge



idea



Solve it!

Solve it!