



Grace Congregational Church  
11620 Cullen Blvd. | Houston, TX 77047  
(713) 733-4488  
www.gcctx.org



This guide belongs to: \_\_\_\_\_



# Youth and Children's Financial Literacy

A guide to “Money Principles” that honor God, for parents and their children.

Prepared by:  
Finance Ministry

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# Letter to Parents, Grandparents and Guardians

Dear Parents, Grandparents, and Guardians,

We would like to express our heartfelt gratitude for taking what may be for some the first step towards achieving financial independence and freedom for your child. This journey not only benefits your child but also fosters a life of responsibility and foresight. Financial literacy is crucial for our youth and children because it equips them with the knowledge and skills to make informed decisions about honoring God, money management, saving, and investing, which will serve and benefit them throughout their lives.

While it may seem surprising, experts generally recommend that children begin learning about money and saving as early as 5 or 6 years of age, which coincides with their entry into kindergarten. At this young age, children are naturally curious and eager to learn. Introducing them to basic financial concepts through games, stories, and simple activities can lay a strong foundation for their financial understanding. For example, using play money to teach them about transactions or encouraging them to save a portion of their allowance can instill valuable habits.

We have meticulously designed this booklet to assist you in introducing and teaching your child about finances with the main emphasis on the importance of glorifying God in being good stewards of their financial resources. This booklet includes engaging activities, real-life examples, and practical tips that will help make learning about money enjoyable and effective.

Thank you again for your commitment to nurturing your child's financial education and their spiritual walk with God. Together, we can pave the way for a brighter, more secure future, not only in finances, but in Jesus the Christ.

*GCC Finance Ministry*

# Letter to Youth and Children

Dear Youth and Children,

You are about to embark on a very important lesson and learning experience that focuses on honoring God with your finances. This lesson is not just a one-time event; it is meant to be the beginning of a journey towards greatness in your life, a journey that God can and will utilize if you apply the principles you learn.

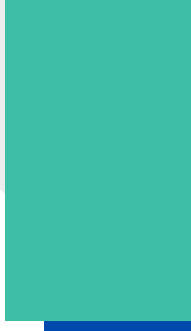
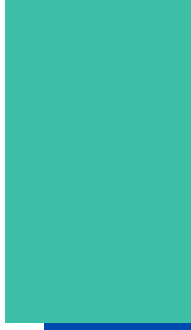
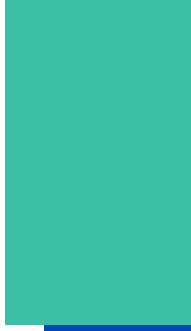
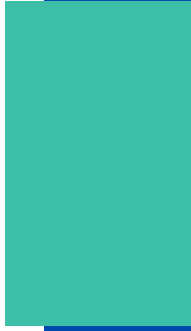
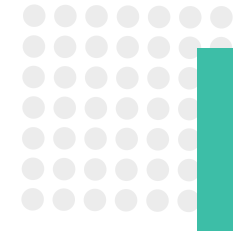
As young individuals, understanding the concept of financial stewardship is crucial. It means recognizing that you are God's temple, and all that you have ultimately belongs to Him. This includes not only your money but also your time, talents, and resources. When you choose to honor God with your finances, you are making a commitment to use what He has provided wisely and generously.

Remember, the way you manage your money can reflect your values and priorities. Choose this day to obey God's instructions and honor Him with your financial decisions. The impact of your choices can lead to blessings not only in your life but also in the lives of others.

*GCC Finance Ministry*



# Principles of Money

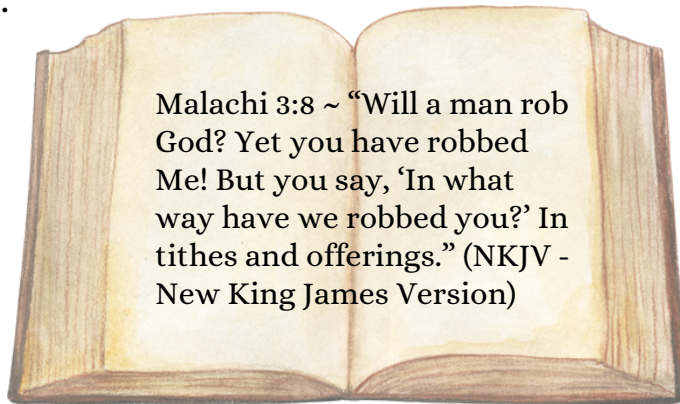


# Principles of Money

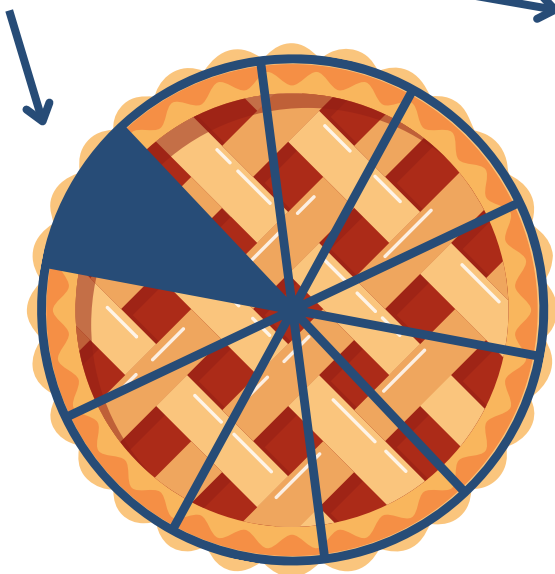
## Money Principle #1 Tithing

The word “tithes” means “tenth.” In biblical terms, tithing refers to the practice of giving 10% of one’s income or resources to support the church. Tithing is a biblical principle that Jesus encouraged us to obey in Matthew 23:23, being careful to obey all of God’s instructions, **including** tithing.

Malachi 3:8 teaches us that when we do not tithe and give offering, we are robbing God. And we don’t want to rob our heavenly father! We are to give God the first of all our income (or increase) as instructed in Proverbs 3:9, this is our tithes.



**Tithe (Tenth)**



**\$10.00 Income = \$1.00 Tithe**



# Principles of Money

## (Continued)

It's important to know the difference between **gross income** and **net income** when tithing. **Tithe is based on our gross income.**

**Gross income** means the amount before anything is taken out, such as taxes or deductions. **Net income** means the amount left or received after taxes and deductions.

When calculating tithes remember that it's okay to round up, never round down. We want to make sure we are giving God ALL that he instructs of us and not a penny less.

A simple method to finding a tithe, or 10% of any amount is to move the decimal point one space to the left. Cross out the last number if it is a zero. If the last number is any other number, round up to the next highest number. See the example below.

### **Example:**

\$ **25.00** Gross Income = \$2.50 Tithe

\$ **35.55** Gross Income = \$3.56 Tithe

\$ **3.555**

### **Let's calculate tithes!**

\$ **25.00** Gross Income = \$ \_\_\_\_\_ Tithe

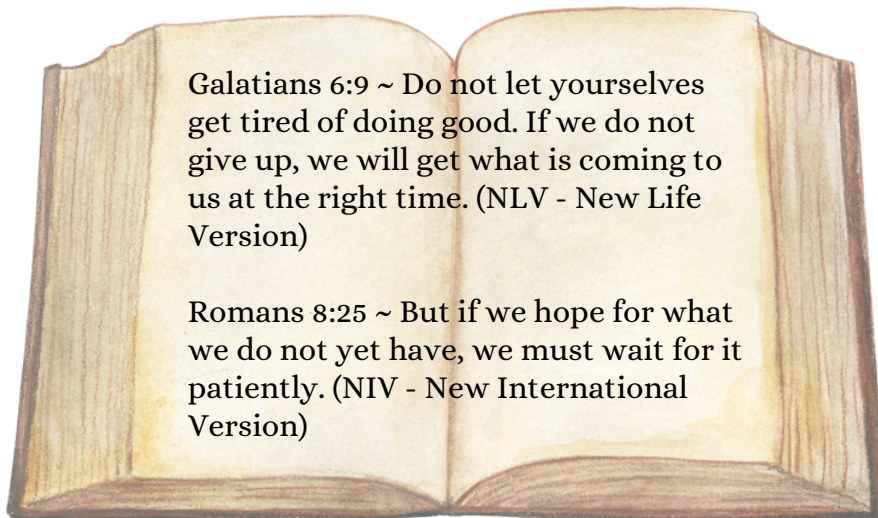
\$ **53.25** Gross Income = \$ \_\_\_\_\_ Tithe

\$ **400.00** Gross Income = \$ \_\_\_\_\_ Tithe

# Principles of Money (Continued)

## **Money Principle #2 (Delayed Gratification)**

Delayed gratification is the ability to resist an immediate reward in favor of a larger reward in the future. For example, you may decide to not purchase ice cream for the next 4 months in order to save for the purchase of a bicycle you've been wanting. Patience is required when practicing delayed gratification.



### **Parent Tip:**



### **Parent Tip:**

When your child is spending their own money, they should be encouraged to think through purchases themselves. You can ask your child, "Do you have to have it now or can you have it later?"

### How to Teach Your Child Delayed Gratification

One of the foundational lessons every child should learn is how to wait to make a purchase. Practicing delayed gratification creates the self-discipline needed to save money for expenses in adulthood.

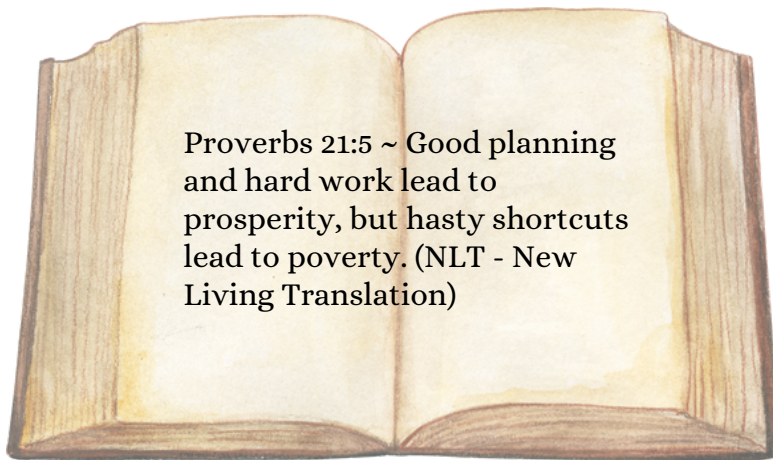
Parents, one way you can help your child develop the skill is by not purchasing every item they request. Even more powerful may be avoiding impulse purchases yourself and explaining to children while shopping that you're not buying something you might like because you don't need it at the moment.

# Principles of Money (Continued)

## **Money Principle #3** *Time helps money grow.*

Money has a time value. In other words, thanks to compounding interest, money saved or invested over a long period of time has the potential to grow significantly.

With interest rates hovering close to zero at many financial institutions, money might need to be invested to see any meaningful growth over a period of time. Though investing money comes with the risk of losses in a down market, there are several companies that offer a way to invest with as little as \$5. However, if investing is not an option for you right now, don't negate the power of simply setting money aside and not touching it.



### **Parent Tip:**

Since savings is a foundation of building wealth, paint a lovely picture of the final product to your child. Your child needs to have something to look forward to as motivation. Even adults need something to look forward to!



# Principles of Money

## (Continued)

### **Money Principle #4 Identifying a Need versus a Want**

#### **The Difference Between Wants and Needs**

Good financial decisions start by being able to distinguish between what is necessary to have and what is nice to have.

A **need** is something that is necessary or very important.

A **want** is something that you desire to have or wish for.

Some examples of a need are food, clothing, and shelter. Some examples of a want are designer clothing, toys, candy and dessert.



#### **Parent Tip:**

Young children may not understand sophisticated financial topics, but they can readily understand needs versus wants. Families spend their money first on needs like food, shelter and medicine. Meanwhile, nice-to-have purchases, such as toys and vacations, should be bought only after needs have been met.

Older children and teens can further refine their understanding of what constitutes a need. For instance, while everyone needs clothing, designer jeans fall into the want category. Likewise, a home is a necessity, but a personal bathroom or even one's own bedroom can be characterized as a want, rather than a need.

Therefore, needs and wants can look slightly different for every individual or family.

**Use the next page to help illustrate to your child the difference between a need and a want, as it relates specifically to them.** Keep in mind that your child's needs and wants may look different from someone else's or even from a sibling.




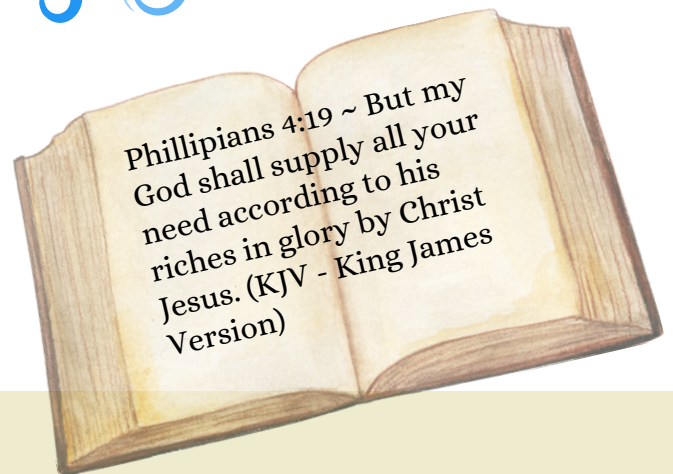
# Identifying Needs vs. Wants

## Activity

**Directions:** Check the boxes if it is a NEED and place an “x” if it is a WANT, then discuss the answers.

(✓) NEED (X) WANT

<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
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# The 4 Jar Budget



# 4 Jar Budget

## ***What is the 4 Jar Budget?***

The 4 Jar Budget is a “plan” in which your income is distributed between four jars, labeled:

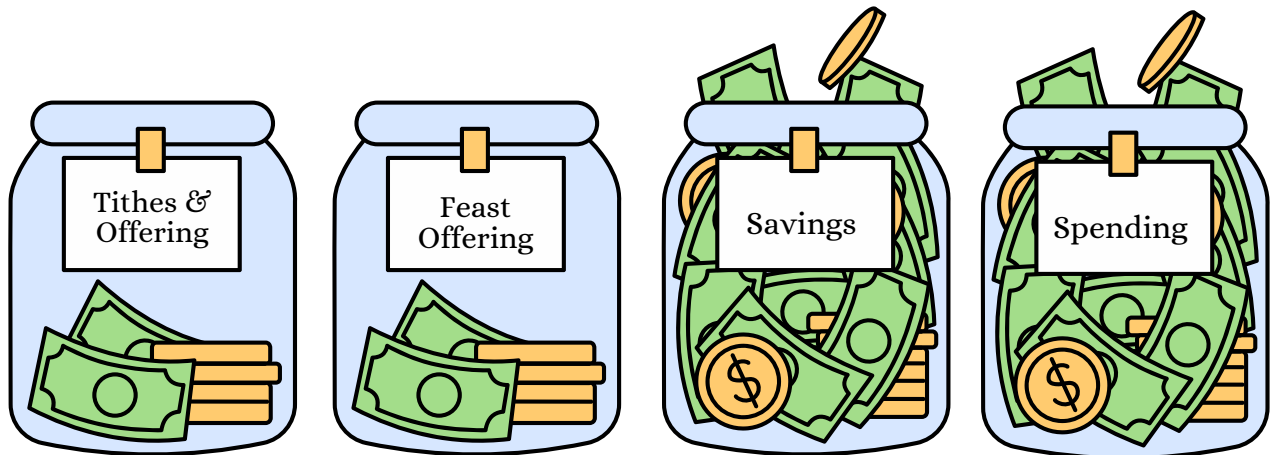
- (1) “Tithes & Offerings”,
- (2) “Feast Offerings”
- (3) “Savings”, and
- (4) “Spending”.

By creating a plan/budget for your money, you will learn consistency and discipline in finances, helping you to put God’s instructions first and ultimately building a lifelong healthy financial habit.



**Parent Tip:**

Discuss and settle on a budget with your child. The only jar with a fixed percentage is tithe at 10%. The remaining 90% of your child’s income can be distributed between the other jars based on what works best for you and your child.



## ***What is a Tithes & Offerings Jar?***

The Tithes & Offering jar is unique, and you should see it as very important. This jar will help you to be obedient to God first. This jar can consist of your tithes and free will offerings. These offerings may be given at any time as you feel led. They are given above and beyond your tithes.

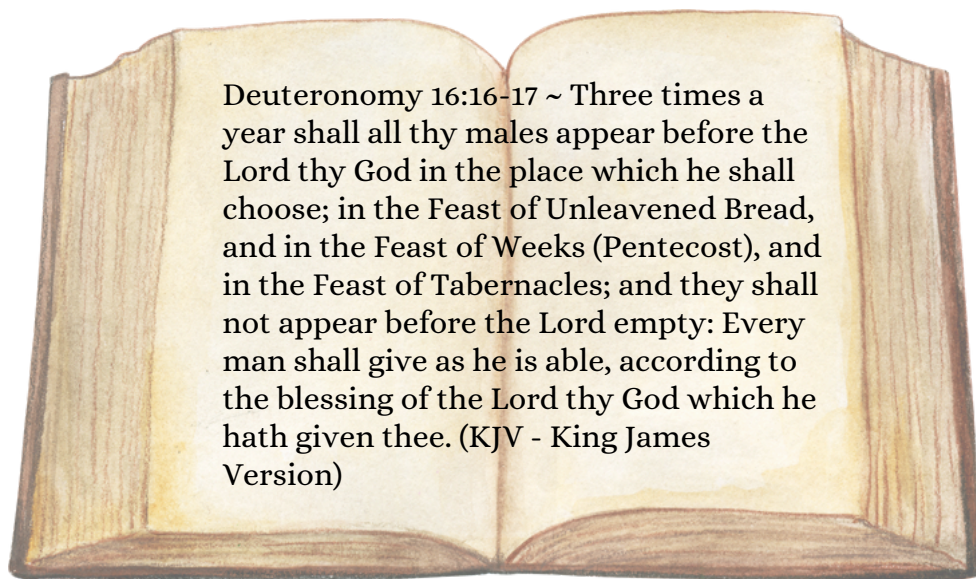
# 4 Jar Budget (*Continued*)

Tithes and offering are not the same. Tithes represent 10% of our income, while offerings are based on your gratitude to God.

## ***What is a Feast Offering Jar?***

God commands that a special offering be brought three times a year during God's designated Holy Feasts, and that we "shall not appear before the LORD empty-handed". Offerings are therefore required by God at these times. (Deut. 16:16-17)

Giving tithes and offerings is the way a believer supports the church's mission and contributes to the community.



## ***What is a Savings Jar?***

Saving money is another valuable aspect of money management. The savings jar provides a place to store and grow funds for large purchases and future wants. For example, you may want to set aside money in your savings jar to save for the purchase of a larger toy that you'd like such as a bicycle, X-box, etc.

# 4 Jar Budget (*Continued*)

## ***What is a Spending Jar?***

Spending money is something that almost everyone seems to know how to do with their eyes closed. However, there are 2 different types of expenses that having a spending budget helps with. They are known as fixed expenses and variable expenses.

***Fixed expenses*** are any expenses that do not change from month to month.

***Variable expenses*** are any expenses that increase or decrease from month to month.

As a youth or child, you may not have as many expenses if any at all. Some examples of fixed expenses you may have are a cell phone bill, a television subscription account, or even a gym membership. These expenses arise every month and are generally the same fixed price. Some examples of variable expenses you may have are school lunch money, concert tickets, school trip expenses; these expenses will vary in total cost, and they may not come up every month.

Whether you have actual fixed and/or variable expenses right now, your understanding of them will assist you in budgeting when you finally do have ongoing expenses.



### ***Parent Tip:***

On the next page, help your youth or child as they make a list of their current or future expenses, both fixed and variable.



# 4 Jar Budget (*Continued*)

**Directions:** Make a list of either your current or future expenses below, making sure to designate them as either a fixed expense or variable expense, then discuss the answers.

My **Fixed** Expenses are:

My **Variable** Expenses are:

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# 4 Jar Budget (*Continued*)

## **Making a Budget Plan**

There is no “one plan fits all.” Therefore, there is no single correct percentage for each jar except for the tithe percentage. Tithing is the only percentage that has been set by God for us, in his instructions, the Word of God.

For all other “jars” it is ultimately up to the parent and child as to what’s most suitable for the family within their financial situation. Generally speaking, it is wise (and practical) to allocate the largest amount to spending. Spending is something we can’t hide from and is done on a daily basis.

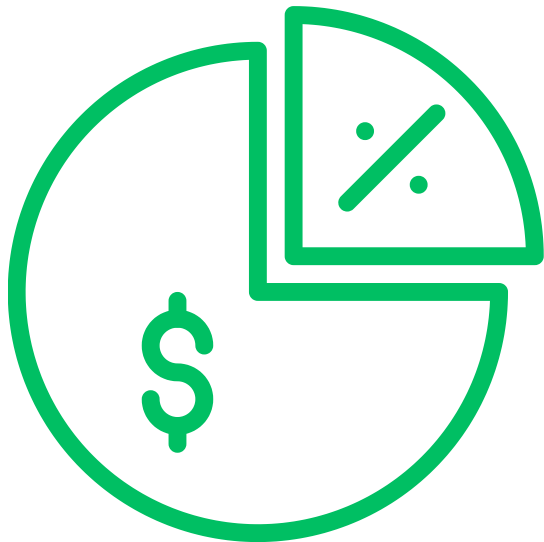
***Take a look at this sample budget below:***

Tithes & Offerings - 15% (tithes 10% + offerings 5%)

Feast Offerings - 5%

Savings - 25%

Spending - 55%

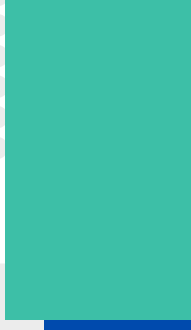
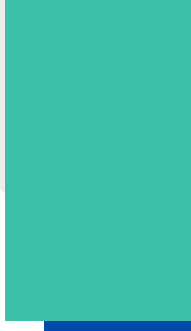
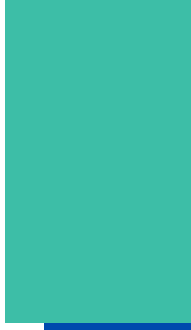
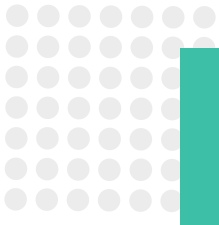


### ***Parent Tip:***

Help your child to understand this doesn't mean they should spend for the sake of spending. By using the 4-Jar Method, they can control how they spend and what they spend their money on.

Take a look at the sample budget in the next section. Then, you and your child should sit down and discuss your child's own budget plan using the My Personal Budget Worksheet on pg. 23.

# Budget Worksheets



# Sample Budget Worksheet

## Budget Sample

***Tithes & Offerings (15%)*** = Tithes (10%) + Offerings (5%)

***Feast Offerings (5%)***

***Savings (25%)***

***Spending (55%)***

Gross Income:     \$ \_\_\_\_\_ . \_\_\_\_\_

### **Tithes & Offerings (15%)**

Tithes (10%)                     \$ \_\_\_\_\_ . \_\_\_\_\_

+ Offering (5%)                     + \$ \_\_\_\_\_ . \_\_\_\_\_

= **TOTAL (15%)**                     = \$ \_\_\_\_\_ . \_\_\_\_\_

**Feast Offerings (5%)**     \$ \_\_\_\_\_ . \_\_\_\_\_

**Savings (25%)**             \$ \_\_\_\_\_ . \_\_\_\_\_

**Spending (55%)**         \$ \_\_\_\_\_ . \_\_\_\_\_

# Sample Budget Worksheet (Completed)

## Example with calculation tips.

Gross Income: \$    1 5 . 0 ~~0~~

**Tithes:** Find 10% (tithes) of any Gross Income amount by moving the decimal point one space to the left and cross out the last number if a zero or rounding up the next penny if the last number is greater than zero.

### Tithes & Offerings (15%)

Tithes (10%)

\$          1 . 5 0

+ Offering (5%)

+ \$          . 7 5

**Offering:** Divide your Tithes amount in half (or by 2) to find your offering amount of 5%.

= **TOTAL (15%)**

= \$          2 . 2 5

**TOTAL:** Add your Tithes and Offering amounts together to find your TOTAL amount.

### Feast Offerings (5%)

\$          . 7 5

**Feast Offerings:** This amount is the same as your 5% Offering amount above.

### Savings (25%)

\$          3 . 7 5

**Savings:** Multiply your gross income by .25 to find your savings amount. OR, using the percentages you already know above, add the amounts to equal 25%.

### Spending (55%)

\$          8 . 2 5

**Spending:** Subtract the sum of your Total, Feast Offerings, and Savings from your Gross Income to find the remaining 55% for spending.

**Example:**

**Spending = Gross Income - (Total + Feast Offerings + Savings)**

Spending = \$15.00 - (\$2.25 + \$0.75 + \$4.50)

Spending = \$15.00 - \$6.75

**Spending = \$8.25**

**Example:**

\$15.00 x .25 = \$3.75

or

\$1.50 (10% of Gross Income)  
+ \$2.25 (15% of Gross Income)  
\$3.75 (25% of Gross Income)

# My Personal Budget Worksheet

**Directions:** With the help of a parent, fill in the blanks with your own personal budget percentages.

My Budget:

**Tithes & Offerings ( \_\_\_\_ %)** = Tithes (10%) + Offerings ( \_\_\_\_ %)

**Feast Offerings ( \_\_\_\_ %)**

**Savings ( \_\_\_\_ %)**

**Spending ( \_\_\_\_ %)**

Gross Income:                    \$ \_\_\_\_ . \_\_\_\_

**Tithes & Offerings ( \_\_\_\_ %)**

Tithes (10%)                    \$ \_\_\_\_ . \_\_\_\_

+ Offering ( \_\_\_\_ %)            + \$ \_\_\_\_ . \_\_\_\_

= **TOTAL** ( \_\_\_\_ %)            = \$ \_\_\_\_ . \_\_\_\_

**Feast Offerings ( \_\_\_\_ %)**    \$ \_\_\_\_ . \_\_\_\_

**Savings ( \_\_\_\_ %)**            \$ \_\_\_\_ . \_\_\_\_

**Spending ( \_\_\_\_ %)**           \$ \_\_\_\_ . \_\_\_\_

The following financial resources are available online for download/print by visiting [www.gcctx.org/finance](http://www.gcctx.org/finance) or using the QR code below:

***Youth and Children Financial Literacy Guide  
My Personal Budget Worksheet***

