

MNN.com > Family > Family Activities

For a happier family, stop overspending on kids

How to drown out the cultural noise and reduce parenting anxiety when it comes to spending money on our children.



JOANNA NESBIT July 11, 2016, 7 a.m.

649 12 3



Trying to keep up with the Joneses is emotionally exhausting and can have far-reaching consequences for our financial health, not to mention the entitlement of our kids. (Photo: Sunny studio/Shutterstock)

You know how it goes. Your daughter's friend signed up for club soccer and you worry your own recreational soccer child won't have the skills to make varsity in high school. Your son's classmate receives private chess tutoring for \$50 an hour. Your neighbors paid \$3,000 for private college counseling services.

Parents worry if they don't spend on extras, their kids will miss out on opportunities and get behind in life. According to Brett Graff, financial writer and author of the new book "Not Buying It: Stop Overspending and Start Raising Happier, Healthier, More Successful Kids," modern parents are spending more than ever on their kids across all incomes. "The rich spend more dollars on their children than less affluent people, but the poor are spending a larger percentage of their income on their children," she says. But trying to keep up is emotionally exhausting and can have far-reaching consequences for our financial health, not to mention the entitlement of our kids.

Graff is calling for families to be sensible. Extracurriculars for kids are good, sure, especially for teens, but they shouldn't break you. Graff's goal isn't to stop us from spending on our kids; it's to help us drown out the cultural noise and simmer down our anxiety to become intentional and informed about what we do spend. Her book assesses the ways Americans overspend on children and gives us permission to quell the fear and wake up. Our kids will be better off for it, emotionally, psychologically and financially. Here's what to reconsider, big and small.

Your house. My teens complain, but Graff would like our 1,800-square-foot bungalow. It's within walking distance of our schools, it doesn't involve a crazy commute to work, and, absolutely key, it's affordable for us. Large homes aren't bad, she says, but smaller homes offer unexpected perks, and kids thrive in them. They're typically closer to schools (walking to school helps kids concentrate longer), closer to parents' jobs (less commute time, more family time), and they offer more opportunity for family interaction because, well, you can find each other. And small is easier to clean.

Baby gear. Preparing for baby feels monumental, and there's so much stuff you need, right? But Graff points out that baby equipment such as cribs and car seats all must undergo the same inspection process and are required to meet the same safety standards, so you needn't buy the Mercedes when the Ford will do just fine. Save the money you would have spent and put it in a 529 Plan for college.



Kids don't need designer tree houses. Let them build living room forts for free. (Photo: kryzhow/Shutterstock)

Toys. When my daughter was an infant, Baby Einstein videos were the rage. These days, iPads and phone apps teach colors, numbers and more. Don't get sucked into the "educational" rhetoric, though. Graff says there are no established federal guidelines for what qualifies as educational, and research shows little ones learn language from interacting face to face and being read to, not by playing with an expensive iPad. Plying kids with top-of-the-line bicycles or designer tree houses won't make them better riders or happier kids. Let them build living room forts for free.

School. Many assume private is better, but is it really? More to the point, can you afford it even if it is? My own family chose to prioritize money for college because we couldn't afford both and it seemed crazy to write hefty checks for elementary school (full disclosure: we didn't even consider private). Turns out we were onto something smart. Two education researchers have shown that public schools outperform private ones when comparing like child to like child. One reason, they said, is that public schools embrace new approaches and professional development for teachers, while private schools tend to rely on dated curriculums and weary teaching strategies. In fact, kids' academic success is more strongly tied to their parents' involvement than to the type of school they attend, says Graff. Don't assume public equals bad.

Boys playing soccer

When it comes to extracurricular activities, keep things fun and light (and less expensive), especially when kids are little. (Photo: red mango/Shutterstock)

Extracurriculars. It's easy to spend a small fortune cultivating a child's talent. But ask yourself who it's for, Graff suggests, and how you would feel about the investment if your child quit. Statistically, 70 percent of kids quit sports by age 13 because it stops being fun. Do we really want to ruin sports for our kids? Or kill their love of music with tiger-style practicing requirements? Graff isn't saying don't pay for piano lessons, but do keep it light while they're little. Let them be kids and avoid raising narcissists.

What to spend our money on instead

Graff is a huge fan of building rainy day funds and protecting ourselves in smart ways that also benefit our kids. Here's what we should do instead.

- Create college savings plans (and be smart about college costs)
- Buy disability and life insurance
- Establish an emergency fund
- Pay off credit card balances
- Prioritize a will
- Learn about health care costs
- Pay into a retirement account
- Give kids allowance to teach smart money moves

Your kids won't see the downside of overspending, so discuss it with them and how it affects family finances and happiness. My own daughter inadvertently taught me a lesson when I was waffling one day about something she wanted me to buy. "If you want to say no," she admonished, "just say no."

Profile Latest Stories

649 12 3

Joanna Nesbit (@joannanesbit) Joanna Nesbit is a freelance writer specializing in education, parenting, personal finance, and college topics.

Now on Family Activities

- 1 [For a happier family, stop overspending on kids](#)
- 2 [7 traits of people who are great at relationships](#)
- 3 [5 ways to stop deforestation](#)
- 4 [Teaching introverted kids in an extroverted world](#)
- 5 [At what age should kids be allowed to date?](#)
- 6 [7 great ways to pull a loose tooth](#)

Trending on MNN

- 1 [How happy you are as a parent is directly tied to one very surprising thing](#)
- 2 [11 quotes to inspire you to embrace simplicity](#)
- 3 [In praise of 'scruffy hospitality'](#)
- 4 [Sharks found living inside an active volcano](#)
- 5 [14 feral horse colonies from around the world](#)
- 6 [13 natural remedies for the ant invasion](#)

Subscribe to our newsletter

Email address

Go