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Digital Tools That Teach Children About Philanthropy

Some parents use allowance-tracking apps to encourage their children to donate some of what they earn to charity

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Teaching younger children to be philanthropic isn't always easy. But there are digital tools that can help.

Sharon Poteet, a parent from Ortonville, Mich., uses the allowance-management app RoosterMoney. Through the app, her 11-year-old daughter and 14-year-old son each receive a virtual allowance of at least \$10 a week, 30% of which goes into a savings bucket, 60% into a spend bucket and 10% to a give pot.

Although her children see her write checks to charities, Ms. Poteet wants them to have skin in the game by donating a portion of the money they earn (and as tracked by RoosterMoney) to causes they care about. "They have actual ownership in that donation. It's because of them," she says. "It isn't because I pulled out my checkbook."

RoosterMoney is just one of several online and mobile-friendly allowance and chore-management tools that make it easy for children to create philanthropic goals and set aside money for them. The programs can be used by children as young as age 4 or 5 with parental support.

"Just like every other habit, the younger you are, the more ingrained it is in you as a person," says Jacqueline Valouch, head of philanthropy at Deutsche Bank Wealth Management in New York. What's nice about digital tools is they allow children to "get engaged in the way they are used to getting engaged," she says.

Here's a look at some of the digital tools that can help encourage children to be philanthropic:

RoosterMoney

This app, available on mobile devices and tablets and generally aimed at children between the ages of 4 and 14, allows users to track their allowance, set savings goals and allocate funds toward spending, saving or giving. No actual money changes hands through the app; parents are responsible for handing over the cash, check or credit card to make a purchase or donation once the child has saved up enough to cover it.

Most of the basic features that help children manage their money are free, though RoosterMoney does offer a subscription-based service with some add-ons for \$2.49 a month, or \$18.99 a year.

When they are ready to donate, children click on the app's "Give" pot and search for one of more than 25,000 charities hosted on JustGiving, a global online social platform for giving. They also can designate a charity that isn't listed on that platform.

Children choose the amount they want to donate and send it to a parent for approval. Once approved, the amount is subtracted from the child's Give pot. If the chosen charity is listed on the JustGiving platform, parents are directed to a donation portal, where they can plug in a credit card and make the donation online.

Bankaroo

Bankaroo is an online virtual bank designed to help children from ages 5 to 14 keep track of their allowance, gifts and chore earnings and save up for specific spending goals, including purchases, as well as gifts to charity. No money changes hands through the site; parents remain in control of the actual funds. Once children reach a savings target, they ask parents to disburse the money they have saved to the charity of their choice. That amount is then deducted from the child's Bankaroo account.

Bankaroo offers a free online and mobile-web version. For families that prefer to use the tool as an app on Android, Kindle or IOS devices, there's a one-time cost of \$2.99 per family.

There also is an enhanced version, Bankaroo Plus, available for a one-time fee of \$4.99 per family via the app stores. With it, children can manage separate accounts for checking, savings and charity. They can move virtual funds into their charity bucket on a one-time or recurring basis.

BusyKid

This platform allows parents to assign their children chores with a cash value, and to pay them an allowance each week through a linked bank account. The child's money is held in a FDIC-insured BusyKid account at Axos Bank.

The child's earnings can be divided into three buckets: save, share and spend. The allocation is initially determined by BusyKid based on the child's age. For example, an allocation for a 13-, 14- or 15-year old would start at 40% in save; 10% in share, 50% in spend, but parents can tweak those allocations if they choose.

Children can use the money in their share bucket to support 19 charities, including Special Olympics and Toys for Tots, and BusyKid continues to expand those options. BusyKid also plans to add a self-directed option early next year for parents who want to choose a charity that isn't already listed, says Gregg Murset, the company's co-founder and chief executive.

Parents have to approve transactions via text before any money can be donated. Once approved, the money is moved from the child's account to the parent's linked account, and the parent is sent a link to make the donation directly.

BusyKid costs \$14.95 per family a year, after a 30-day free trial, regardless of the number of children. The service can be used on a desktop, tablet or Android or IOS device. The service is most appropriate for children between the ages of 5 and 17.

Gohenry

Gohenry offers users an online account, mobile app and a debit card that parents can control. In addition to being able to set savings goals, track spending and learn responsible spending with a debit card, children can choose to donate a portion of their weekly earnings to Boys & Girls Clubs of America. It's a new capability gohenry rolled out in November; parents can elect whether to turn the feature on.

Children select an amount, ranging from 10 cents to 25 cents, to donate weekly to the charity. Parents receive a notification on their phone, alerting them to the pledge. Each week on payday, the donation comes out of the child's account.

Users who want to donate to a charitable organization other than Boys & Girls Clubs can create a savings goal and time frame for reaching it. Once that goal is attained, the money can be transferred to the child's spending account and used to make a donation to the charity of their choosing.

There is a monthly membership fee of \$3.99 per child to use gohenry. The target age range is ages 6 to 18.