The best charity is that which is given out of richness. The upper hand is better than the lower hand, and let one of you start with those whom he is responsible to provide for

Abu Hurayrah (may Allah be pleased with him) reported that the Messenger of Allah (may Allah's peace and blessings be upon him) said: "The best charity is that which is given out of richness. The upper hand is better than the lower hand, and let one of you start with those whom he is responsible to provide for." (Then Abu Hurayrah said:) His wife says to him: "Spend on me." His Umm Walad (a slave woman impregnated by her owner, thereby bearing a child) says to him: "To whom will you leave me to rely on?" His slave says to him: "Feed me and employ me."

[Authentic hadith] [Narrated by Ibn Hebban - Narrated by Bukhari]

This Hadīth shows that the best charity is that which one gives out without needing it for his dependents and family or to settle a debt that he owes. It is obligatory to spend on one's dependents first, including one's wife, children, and those whom his right hand possesses, meaning: male and female slaves. In this respect, one should not refuse to spend on these and instead give charity to distant relatives and neglect the close relatives whom he is required to support by the Shariah. Moreover, this Hadīth shows that if one has surplus money other than that which he spends on his dependents, he should give charity to the poor and the needy. Finally, the Hadīth shows the merit of spending, as it states that the giver's hand is higher than the recipient's hand, in reality and metaphorically. This superiority is due to the money that one spends on others and the kindness that he shows to them.

http://sunnah.global/hadeeth/en/show/58185