



Pointers For Parents

Seven Tips To Help Parents Teach Their Kids About Money

(NAPSA)—Teaching children some basic financial skills will pay off down the road. Studies show that kids who learn about money early in life tend to be better savers, smarter spenders and have less debt—and considering that as many as 40 percent of Americans live beyond their means, there may be no better time than now to teach a few financial ABCs.

So how many of our kids are actually financially literate? According to one study by the Jump\$tart Coalition for Personal Financial Literacy, not nearly enough. The group administered a basic financial literacy test to high school students and found that the average score was just 52.4 percent. Now imagine those same results on a statewide reading test and you can begin to see the true scope of this problem. Fortunately, there are plenty of ways parents can help.

What Parents Can Do Today

Start teaching kids about money as early as possible. According to personal finance expert Regina Lian of the New York-based Financial Comfort, Inc., “As soon as your child can say ‘I want, I want,’ they’re ready to start learning the fundamentals of money.” Here are some tips that Lian advises for parents who are interested in helping their children grow to be financially responsible:

☑ **Start early**—Talk to your kids about money from a very early age, when good habits start to form.

☑ **Let them do it**—Encourage your kids to play “store” at home. Let them feed the parking meter and swipe the credit card when you pay for groceries.

☑ **Model responsible behavior**—Demonstrate that in order to spend money, it must first be earned. If your company allows, bring your child to work with you.

☑ **“Show and tell” them**—Take them to the bank to open a savings account to help them understand that the money has to actually be deposited first before you can take it out.

☑ **Give allowance**—Kids are ready for allowance when they can start doing things around the house, like watering plants or setting the table. This begins to teach fiscal responsibility.

☑ **Begin budgeting**—Delineate allowance money as to whether they should spend, save or share with the community.

☑ **Get support**—Read books and use valuable resources for guidance and tips. A great Web-based program for parents of kids ages 5-8 is Quicken Kids & Money at www.quickenkidsandmoney.com.

All parents want their children to grow up with the necessary skills to succeed. Talk to your kids about money today and they’ll thank you tomorrow. You can bank on it.