

# FOCUS POINT

brought to you by **IRON POINT** CAPITAL MANAGEMENT and your personal financial advisor

Insights about life and money matters

## Teaching Children about Money

In a 2008 national survey conducted by the Jump\$Start Coalition for Personal Financial Literacy, a nonprofit organization that seeks to improve the personal financial literacy of young adults, high school seniors correctly answered only 48.3 percent of the questions. Clearly we could do a better job teaching our children about money, but where should we start?

Congress recently established a new Financial Literacy and Education Commission to coordinate federal agencies' financial education efforts.

[www.MyMoney.gov](http://www.MyMoney.gov) is the U.S. government's website dedicated to teaching all Americans the basics about financial education. But what can parents and grandparents do?

- **Model good behavior** – If you are likely to run up charge cards beyond your means, that is behavior your children may mimic later in life. Think about your attitudes about money and where they came from. Try to share what worked for you rather than pass on bad habits.
- **Talk to your young children about money** – Money habits form early, so the sooner you start the better off your children will be. You can teach children about the differences in coins as early as age three or four and give them a piggy bank by the time they are five years of age. If you are shopping for a piggy bank, visit [www.moneysavvygeneration.com](http://www.moneysavvygeneration.com) and consider the Money Savvy Pig, made of translucent plastic and divided internally into four compartments labeled Save, Spend, Donate and Invest. Makes a great gift!



- **Consider allowance** – Allowance is a controversial topic. Some experts believe an allowance should be contingent on doing household chores. Others insist that chores are a family obligation and should have nothing to do with the child's allowance. If you give allowance, insist that your children be responsible for certain expenses. This teaches them to make choices, the building block of sound money management. Lay out your ground rules in advance. How often and how much will you pay your child? Under what circumstances would you increase the allowance? Will you allow advances on allowance? Will you pay more if your child does extra chores?

Most importantly, remember bailing out a kid “just this once” may be the right thing to do. However, bailing them out a second or third time is almost never a good idea. Sure, you want to make your children's life easier than you had it, but don't deny your children the satisfaction and self-confidence that come from overcoming challenges. Ideally, you want them to learn important financial lessons while they are young and the cost is low.

Find more Focus Point tips at [www.IronPointCapital.com](http://www.IronPointCapital.com).

09/09

All investments involve the risk of potential investment losses. The investor may receive less than the original invested amount and is advised to consider the investment objective and risks before investing. • Not FDIC Insured • No Bank Guarantee • May Lose Value

Iron Point Capital Management is the marketing name for Brecek and Young Advisors, Inc. an SEC Registered Investment Advisor. This article was written by a professional financial journalist and is not intended as legal or investment advice.

# FOCUS POINT

brought to you by **IRON POINT** CAPITAL MANAGEMENT and your personal financial advisor

Insights about life and money matters

## Resources -- *Financial Literacy for Kids and Teens*

- *Raising Financially Fit Kids*, by Joline Godfrey
- *Money Doesn't Grow on Trees: A Parent's Guide to Raising Financially Responsible Children*, by Neale S. Godfrey and Carolina Edwards
- *Silver Spoon Kids: How Successful Parents Raise Responsible Children* by Eileen Gallo, Jon J. Gallo, Kevin J. Gallo
- [www.JumpStart.org](http://www.JumpStart.org) - A great Web site with many resources for kids, teens and the adults who love them
- [www.RealLifeMoneyGame.com](http://www.RealLifeMoneyGame.com) - Make learning fun and the lessons should “stick”
- [www.KidsFinanceCoach.com](http://www.KidsFinanceCoach.com) – Fun Q&A, games, videos and more

*This article was written by a professional financial journalist and is NOT intended as legal or investment advice.*

---

Find more Focus Point tips at [www.IronPointCapital.com](http://www.IronPointCapital.com).

09/09

All investments involve the risk of potential investment losses. The investor may receive less than the original invested amount and is advised to consider the investment objective and risks before investing. • Not FDIC Insured • No Bank Guarantee • May Lose Value

Iron Point Capital Management is the marketing name for Brecek and Young Advisors, Inc. an SEC Registered Investment Advisor.  
This article was written by a professional financial journalist and is not intended as legal or investment advice.