

How To Raise Financially Savvy Kids

Today's young people are very much in need of some solid financial guidance. While many schools are doing their part to teach financial literacy, the task of fiscally educating our children lies mostly in the hands of America's parents. Whether your kids are 2, 12, or 20, there are smart ways to shape their financial habits for the future.

If your kiddos are still young, you can train them early on to appreciate the value of money and the benefits of hard work by following some simple tips. If they're older and perhaps already subscribe to some irresponsible mindsets when it comes to money, there are still ways to modify their behavior and way of thinking - while it may be a bit more challenging, it will be worthwhile in the end.



Here are Three Tips to Make Money-Smart Kids:

1. Teach Financial Literacy 101. Kids should be learning from a very early age about the concept of money. Teach them how to save, how to budget, about needs vs wants, and the idea that all products and services, from necessities like food and shelter to luxuries like toys and vacations, cost hard-earned money. Your credit union can help! Many CUs and associated organizations offer youth-oriented financial literacy programs.

2. Stress Credit Card Basics. Teach kids about credit including how to properly use a credit card as a credit-building tool and how not to accrue debt. As part of teaching about the responsible use of credit, don't co-sign on a credit card or any other type of loan. Rather allow your teenager to become a user on your card under your watchful eye. This will help them establish credit and learn about wise spending without affecting your debt-to-income ratio or your credit score. It's important to have an open dialogue about the risks and benefits of credit card usage since, chances are, your child will one day have one of his or her own. Cont'd p.2

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3. Work and Save! Encourage kids to work and save their earnings, even from an early age. Working and earning money for the things you want builds character and establishes good habits. As young children, they can do chores or take on extra small jobs around the house for which they'll earn money, rather than simply being handed an allowance for existing. These jobs can increase in difficulty and payment amount as your child grows. As your youngster approaches the teen years, he or she can begin babysitting or lawn mowing. And once they're able to legally work, having a part-time job that doesn't interfere with school, should be encouraged.

Good luck! Just remember to avoid nurturing and enabling bad habits and to never bail your kids out. It's better to let them learn from mistakes and have you there waiting to guide them in the right direction.

Spring Clean Your Finances

Time to say good-bye to Old Man Winter and hello to longer days and warmer temperatures. Time to spring clean your finances as well!

1. Dust off your budget. It's easy to fall into bad money management habits, like not paying attention to where your paycheck is disappearing. The only way to find out where your money is going is to track your spending - a tedious task, but an important one.
2. Scrub your spending. Are you really getting value for the \$100 monthly payment to the cable company? Could a video streaming service or movie rentals provide just as much entertainment for a lot less? If you eat out frequently, what about planning for more meals at home by preparing and freezing dinners ahead of time? Call everything out. Pay particular attention to items that are paid automatically. You may have lost track of how much you are spending if you are not regularly reviewing the bills. But use the out-of-sight-out-of-mind phenomenon to your advantage by putting your savings on autopilot.
3. Wash out high-interest rates. If you have high-interest rate department store or credit card bills leftover from holiday shopping, ask us about a consolidation loan or a balance transfer. You'll simplify your life and save money, too. Also ask us about refinancing a vehicle loan. We may be able to lower your payment.



The Last Word

Never stop doing little things for others.

Sometimes those little things occupy the biggest part of their hearts.

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