



Parents' Homework:

Teaching Children Their Financial A-B-Cs

(NAPSA)—Teaching children about saving, budgeting and managing money may really add up later in their financial future.

Good financial habits start early and studies show that many kids don't learn the fundamentals of money management skills either at school or at home.

To help, the American Bankers Association Education Foundation (ABAEF) created the Teach Children to Save program where bankers go into local schools to teach children "real life" lessons about the value of money. ABAEF wants to make savings day "every day," by encouraging parents to teach their children about money. Here are some simple suggestions to teach your kids money skills that will last a lifetime:

- Teach your child the importance of saving. To make their savings visible and real, have them build up savings in a piggy bank.

- Help them open up their own savings account and make deposits regularly. Many banks offer low or no-fee savings accounts with no minimum balance required. If your bank doesn't offer this feature, ask if special arrangements can be made.

- Make going to the bank a fun activity. Some banks have kids clubs where members get newsletters in the mail or receive prizes like balloons when they make a deposit. If your bank doesn't offer this, use another positive reward such as an ice cream cone or a trip to the park.

- Kids love to get mail, so keep an eye out for their monthly statement. This will help them see the



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gradual effect of interest on their balance.

- Involve children in spending decisions and talk about savings in your family. This gives them practical experience in the buying and saving process.

- While many children know that money doesn't grow on trees, they may think it comes out of a wall. Show them how an ATM works and help them understand that to take money out of the bank you must first put it in.

- Give your kids positive feedback. As they get older and their allowance increases, give them responsibility for spending their money on "needs." Who knows—even you might learn a trick or two.

For more information, visit www.aba.com and click on Consumer Connection.