

FAMILY FINANCES

Four Holiday Gifts Kids Want (Even If They Don't Know It Yet)

(NAPSA)—A mutual fund might not be at the top of holiday wish lists, but giving your child the tools to be smart about money is priceless. So before you hit the mall for a must-have toy or electronic gadget, consider stuffing stockings with money-smart gifts that will keep giving for years to come.

“Shoppers spend an estimated \$400 on holiday gifts for the family,” says June Walbert, financial planner with USAA Financial Planning ServicesSM. “By using just a small portion of that budget, you can start your child on the road to building financial security and responsibility.”

Walbert offers these four fiscally fit gift ideas for kids, teens, and teens:

Birth-5 Years Old: A Tuition Tradition

In a recent survey by USAA (www.usaa.com), parents of college-bound teens estimated that they have saved an average of \$10,570 for their children's college education. Today, that would pay for only one year of costs at a four-year public university.

Thankfully, parents of young kids have time on their side, along with savings tools that allow family and friends to help save. For example, state-sponsored 529 plans allow grandparents and family friends to contribute funds for college, and some state plans can be opened for as little as \$250 with \$50 per month contributions. While your children may not ask Santa for a college savings plan this year, it's sure to be on their wish list as they get older.



6-10 Years Old: Savings From Santa

A piggybank may seem old-fashioned, but it's a gift that can help teach kids one of the most valuable money lessons—saving. Start with a small contribution in the bank, or a savings account for older children. Some financial institutions offer savings accounts specifically for children that can be opened for just \$1.

To help your child get excited about saving, consider matching your child's contributions dollar for dollar throughout the year.

“Waiting until there's enough money in the account to buy something new teaches kids the importance of buying what they can truly afford,” says Walbert. “That mindset will stay with them and help keep them out of debt when they're older.”

Four Money-Wise Stocking Stuffers

Recommended Age

Birth-5

6-10

11-15

16-20

Gift Idea

College Savings Plan

Savings Account

Pre-paid Spending Card

Mutual Fund



11-15 Years Old: Pre-paid Present

If winter break plans include malls and movies, your tween might prefer to receive holiday cash. If so, consider introducing your child to a pre-paid spending card, which is a reloadable spending card that can be used anywhere major credit cards are accepted. Many cards can be funded starting with just \$10 and can be replenished online throughout the year.

“Your child gets the gift of more financial freedom while learning at an early age to manage money responsibly,” says Walbert. “And using a pre-paid spending card is safer and more convenient than carrying around holiday cash.”

16-20 Years:

Merry Mutual Funds

In place of yet another gift certificate, think about using those funds to invest in the future. Parents can open some no-load mutual fund accounts in their names and their teen's name for as little as \$20, with a \$20 per month contribution. Look for investment accounts specifically designed for teens, with the funds invested in companies they are likely to know.

Walbert notes that “learning about the importance of long-term investing can have a big impact at an early age. And getting your child in the habit of making regular investments each month can have huge benefits for their financial future.”

From birth to bachelor's degree, the power of financial knowledge will be one gift your children never outgrow.

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