Your Family Finances

Tips For Raising Money-Conscious Kids

(NAPSA)—According to Teenage Research Unlimited, U.S. teenagers spent $172 billion in the year 2001. Your kids, and their influential friends, probably spend significantly more money than you and your friends did at their age. Savvy marketers are there to encourage them. With your help, however, kids can learn the value of money to save and even invest. The key is to make financial learning an everyday part of family life.

From the time little Brittany can count to ten, she should help count change at the grocery store. When Jason asks for a new CD each week, use it as an opportunity to teach him resources are not unlimited. Restricting him to one CD per month will help him learn to evaluate his choices. Children need to learn the difference between wants and needs; immediate gratification versus delayed gratification, and that some things come with a labor equation—two hours of raking leaves equals one movie ticket.

Here are some ways to teach your kids the value of money:

• Set a good example. Kids pick up buying patterns and attitudes about money from their parents.

• Start early. Give kids an allowance as soon as they can count and identify coins. When they want something, use the magic words “your money.” They’ll think twice before spending.

• As kids get older, encourage saving for both short- and long-term purchases.

• Set up a child’s own savings account.

• Teach teens how to research purchases and compare products.

• Encourage kids to earn their own money. They may reconsider buying the latest fad jeans if they know they had to work six hours to earn them.

• Let them learn from their mistakes. Constantly bailing them out of overspending sends the wrong message that actions have no real consequences.

Fortunately, it’s never too late to teach kids that “money doesn’t grow on trees.” In the adult world, it has to be earned, saved and, if borrowed, returned with interest. If your children learn this now, they’ll have a better chance for financial success as adults.

Oddly enough, current financial obligations and unrestrained consumer spending seem to be the top culprits that keep adults from saving. In fact, according to the recent Allstate Retirement Reality Check survey, 58 percent of respondents will carry debt into retirement with them. To learn more about saving for your future, call an Allstate agency or log onto allstate.com. Allstate may have the solutions and the people to help you secure your financial future. That’s good news for the whole family.