

TEACHING KIDS ABOUT MONEY

With the new school year in full swing, children throughout Michigan are studying everything from computer science to English literature to international economics. But how about those practical life skills that schools can't always impart to their students?

"The importance of education has never been more important," says Allan Kemp McMorris, Chairman of the Board for the Michigan Credit Union League (MCUL). "So much is being demanded of schools these days that it's usually up to parents to help their kids understand the ABC's of money - one of the most important lessons in life," McMorris says.

Teaching basic money management skills to children has never been more critical, according to McMorris. Statistics indicate that teenagers alone spend more than \$80 billion a year, yet fewer than half (42%) know the basics about credit, checking, savings accounts or auto insurance. "Children who are taught early to become regular savers and responsible borrowers are far better prepared for adulthood than those who are not exposed to basic financial concepts," according to expert Bobbie Shocket Lazarz, Director of Member Education for the CUNA Mutual Insurance Group (CMG).

MCUL and CMG have developed the following tips and guidelines for parents who want to teach their children about money.

Under Age 5

Set up a coin bank at home to help the little ones learn how to identify different coins and how to count money. Introduce the concept of money by giving children small change to spend occasionally when you go to the store. Set limits on the type of items to be purchased in order to save time and minimize conflict.

Ages 5 to 10

This is the time to begin a weekly allowance program to offer hands-on money management experience. Set down the

terms of the allowance - how much, and when it will be distributed. Saving habits for youngsters of this age group are reinforced by reaching goals, so encourage the child to save for, and then buy something he really wants. Another good technique is setting up three coin banks, labeled "Spend," "Save" and "Share." Encourage children to contribute a portion of their allowance and cash gifts to each of the coin banks. When the "Save" bank is full, take the child to your local credit union or bank to open an account. Many financial institutions have special programs for children; be sure to inquire. The "Share" money could be contributed periodically to a charity or non-profit organization of the child's choice.

Ages 11 to 14

Bring children on shopping trips to show them what things cost. Let them help compare product quality, prices, return policies and warranties. Encourage children to use their own savings to buy "beyond the basics" clothing and accessories. Warn them against the dangers of impulse shopping. At this age, encourage your kids to take on odd jobs, such as babysitting, yard work or pet care, to earn extra money. These should be tasks beyond the realm of a child's regular household duties. This is also a good age to introduce the concept of investments. Consider purchasing a share or two of stock in a company the child picks (perhaps Disney or Mattel) and then monitor progress together by checking the daily newspapers.

Ages 15 to 18

Start discussing savings plans with your children to cover larger goals, such as the purchase of a car, or the child's contribution to his college fund. You might set up a seasonal clothing allowance for kids in this age range. This fund should be separate from regular allowance; after setting spending guidelines and limits, let the child make his or her own choices. Consider helping your teen to open a share draft or checking account, if he has shown adequate signs of fiscal responsibility. You might also consider letting him use your credit card, or co-signing for a card in the teen's name, again based on your own judgment of his readiness.

Other Tips

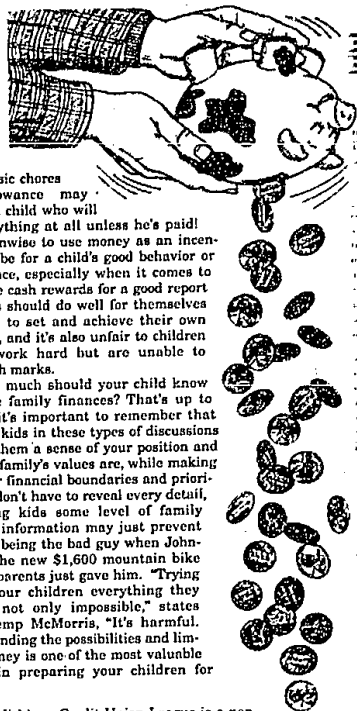
When it comes to allowances, use your financial situation and your child's maturity level as guidelines. Spell out the details on paper, so there's no confusion. If a child overspends, do not reimburse him. Do review the terms of the allowance agreement periodically to see if adjustments are needed. Do not link the allowance to the performance of regular household duties. Children ought to contribute to the household sim-

ply because they are members of it;

linking basic chores with allowance may result in a child who will not do anything at all unless he's paid! It's also unwise to use money as an incentive or bribe for a child's good behavior or performance, especially when it comes to things like cash rewards for a good report card. Kids should do well for themselves and learn to set and achieve their own standards, and it's also unfair to children who do work hard but are unable to attain high marks.

How much should your child know about the family finances? That's up to you, but it's important to remember that including kids in these types of discussions can give them a sense of your position and what the family's values are, while making clear your financial boundaries and priorities. You don't have to reveal every detail, but giving kids some level of family financial information may just prevent you from being the bad guy when Johnny sees the new \$1,600 mountain bike his pal's parents just gave him. "Trying to buy your children everything they want is not only impossible," states Allan Kemp McMorris, "it's harmful. Understanding the possibilities and limits of money is one of the most valuable lessons in preparing your children for life."

The Michigan Credit Union League is a non-profit trade association representing 90% of the state's credit unions. Some 3.8 million people, or 40% of Michigan's population, are credit union members. CUNA Mutual Insurance Group is owned by credit unions and their members in 52 countries. It provides policy owners with innovative insurance and finance-related products, and is the leading provider of credit insurance in the world.



Allan Kemp McMorris

SAVINGS MYTH

You probably say it every time a paycheck comes: "Next time, I'm going to set aside some money for a rainy day." It's a sincere yet oft-broken promise we make to ourselves whenever we look at the state of our savings accounts and think about that summer cottage, a shiny new car or school tuition for the little one. Saving money isn't a habit everyone is born with; it's a skill you need to cultivate.

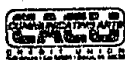
Start with desire and a positive frame of mind and then consider this common misconception about saving money outlined in a recent edition of "Everybody's Money," the consumer publication for members of America's credit unions.

Never spend saved money - It should stay in a savings account.

Funny thing about money - the only thing you can actually do with it is SPEND IT! The question then becomes when to spend it, on what, and how much should be spent. Would it be better to buy that new suit with your credit card and pay interest on your purchase, or would you rather cover the cost from money you set aside awhile back for that very purpose? That \$50 you've been rocking away every month will get spent eventually, and if you don't spend it in your lifetime, someone else will get the chance to do so. The point of saving money is to spend it at some point in time.

We are not a bank.

This is Communicating Arts Credit Union. Here you are not a number, an account, or a deposit figure. You're a member, and who you are and what you need are more important to us than anything else. For over 60 years, we have given personal attention and a dedication to the satisfaction of our members far greater than they'd receive at any other banking institution. Because this is Communicating Arts Credit Union. It's where you belong.



Five Ways to Find a Credit Union To Join



If you already belong to a credit union, you know about the exceptional financial services and treatment you find there. If you don't belong, or know friends or family members who don't belong to a credit union, but would like to, here's how to find a credit union to join:

1. Ask the boss. Often you'll find out when you're hired that the company sponsors its own credit union, or is a Select Employee Group (SEG) that provides access to an existing credit union. Employers consider the credit union an employee benefit that helps workers avoid financial problems and build savings, while being able to borrow money at fair rates. Many employers offer direct deposit of part or all of your paycheck to the credit union. This service helps you save regularly, make efficient deposits to your checking account and even make loan payments.
2. Poll your family members. If your employer doesn't sponsor a credit union, perhaps your spouse's employer does. Or a parent, brother or sister, or child might work at a company sponsoring a credit union. Most credit unions allow credit union members' families to join the credit union also.

Different credit unions may define "family" differently though. At some, members of your immediate family - spouse, parents, and children - are eligible. At other credit unions, family may include extended family members, like cousins, uncles, and aunts.

Full-family membership makes it possible to introduce your children to prudent money management using credit union services at an early age. And, sharing a credit union account with your spouse makes household money management practical and convenient.

3. Quiz the neighbors. Many credit unions have a "commu-

nity" field of membership, serving a region defined by geography rather than by employment or some other association. Ask friends in the community if they know of a credit union you may join.

4. Read the yellow pages. Some credit unions never or rarely advertise, so you might not know about them unless you look them up in the phone book. (Although word of mouth is a powerful messenger for credit unions, too.)

And, sometimes a credit union that originally served only employees of a meat-packing plant, for example, expands its field of membership to other companies over the years. A credit union with an expanded field of membership often changes its name to signal its new "field." But don't assume that the credit union that, always served, say, air force base employees still only serves base employees.

A yellow pages display ad may state a credit union's field of membership. If not, at least you'll know what number to call to ask about membership eligibility.

5. Call us. The Michigan Credit Union League, offers a service to help you find a credit union by calling (800) 474-JOIN. You'll hear an electronic message that asks for some information that will enable us to help you find a convenient credit union you are eligible to join.

Credit unions are for everyone, but the law places some limit on the people each may serve. The federal or a state government grants a credit union's charter, which defines its "field of membership." That may be an employer, a church, a school, or a community.

Anyone working for an employer that sponsors a credit union, for example, is eligible to join that credit union. The point is, many folks in the United States are eligible to join a credit union but don't realize it.

To them, "welcome to the wonderful world of credit unions!"

Be a Part of Our Financial Family!

Everyone is Welcome!

- Full Financial Services
- Twenty Locations
- Owned by 46,000 Members
- Federally Insured; NCUA

Membership is available to anyone with a \$2 membership fee and a \$5 savings deposit.

CO-OP SERVICES CREDIT UNION

Livonia, Dearborn, Westland, Walled Lake, Wyandotte

1-800-321-8570

We live and work in your neighborhood.

Look into our full line of affordable products & services

One of the benefits of living or working in Plymouth, Canton or Northville is being eligible to join Community Federal Credit Union.

- Savings Accounts
- Money Market Accounts
- Certificate Accounts
- IRAs
- Checking Accounts
- Personal Lines of Credit
- VISA
- Mortgages
- Home Equity Loans
- Commercial Accounts
- Auto Leasing
- New & Used Vehicle Loans
- Direct Deposit
- Payroll Deduction Plans
- 24-Hour ATM Access
- Telephone Banking
- Travelers Cheques
- Money Orders
- Financial Management Services

Call or stop by one of our offices today!

Community Federal Credit Union

Plymouth
500 S. Harvey
(313) 455-1200

Canton
6355 N. Canton Center
(313) 455-0400

Northville
400 E. Main
(610) 348-2920

Accounts federally insured to \$100,000 by the NCUA, an agency of the U.S. government. Equal Housing Lender.

EFFICIENT PERSONAL SERVICE • **MEMBER-OWNED**

We Are Livonia's ONLY Community Credit Union

Offering a complete line of personal and family financial products with special attention to personal service

International Credit Union Day Open House

Please join us for kiddie and adults in the office lobby on Thursday, October 19, 1995, in honor of International Credit Union Day. Bring your children along for free balloons!

Regular Office Hours:
Monday thru Thursday 9:00 a.m. to 5:00 p.m.
Friday 9:00 a.m. to 4:00 p.m.

Drive-Through Hours:
Monday thru Thursday 8 a.m. - 6 p.m.
Friday 8 a.m. - 7 p.m.
Saturday 9 a.m. - 1 p.m.

(313) 421-7180

15420 Farmington Road
Livonia, Michigan, 48154

Membership in Livonia Community Credit Union is open to residents of previously employed in Livonia.

CONVENIENT & FRIENDLY • **24-HOUR ACCESSIBILITY**