

celebrating family

Invest time to teach value of saving



LISA LUCKOW-HEALY

As parents, we want the best for our children. Our children want whatever their friends have that they don't. We ponder the right ways to teach our children the value of a dollar. The children strategize how to spend it.

There is a family-friendly solution to our dilemma. It begins with the formation of a family investment group.

If the word *investment* is too formidable for your children, try calling it the family cash club or the family fun fund. The name may change but the purpose remains the same: to save money rather than spend it.

Janet Bodnar, author of "Kiplinger's Money Smart Kids" (Kiplinger Books, Washington, D.C.), said that by the age of 11 or 12, about 10 percent of children advance from savings accounts to stocks and mutual funds.

"Buying your children shares in a company is the best way to get them started in the market," Bodnar said.

The problem many parents face is getting started in what appears to be a very gray area of understanding. How do you explain the stock market or charting a stock to your children when you don't understand it yourself?

Begin with a trip to your local library or bookstore, or consult on-line databases. For a basic understanding of the stock market, as well as other investment alternatives, check out some of the following resources:

- National Association of Investors Corp. - Provides basic information on investing as well as how to start an investment club. For free information on this resource, call (248) 583-6242.

- Value Line Investment Survey - Provides overviews of approximately 2,000 individual companies, including historical price information and earnings and dividends. Value Line also rates each stock. Check your local library for availability or call (800) 833-0046 to subscribe.

- On-line databases - Resources such

as America On Line's Personal Finance enables subscribers to monitor their own portfolios through features such as Quote Track.

- Kiplinger's Personal Finance Magazine

- Money Magazine

Creating a family investment group is a great way to spend quality time together while teaching your children that saving has tremendous rewards. After doing your initial research, set aside a few hours on a given evening for the whole family to meet and discuss what each of you will invest and where you will invest it.

Perhaps you wish to start your children off by buying 10 shares of a reliable blue-chip stock for each of them. Blue-chip stocks are those of the biggest, most profitable companies.

On the other hand, give your children some freedom to select their own stocks. It's often a good idea to observe the companies that manufacture products that are becoming trends with young people, and potentially buy into them before the market becomes too saturated with competitors.

"Once your kids have settled on a company, help them purchase a share or two by going through a discount broker to minimize commissions on small purchases."

A family investment group promotes family togetherness. Everyone has a common focus in tracking investment performance and comparing notes.

As a family, agree to reconvene one day each week to review everyone's investment performance.

If your family investment group doesn't feel comfortable with the risks of the stock market, consider other options such as mutual funds, high-interest savings accounts, bank certificates of deposit and savings bonds.

"Getting your kids to save at all is great. Getting them to appreciate the risks and rewards of various kinds of investments is icing on the cake."

Lisa Luckow-Healy is a marketing and public relations consultant and the mother of two from West Bloomfield. To leave her a message from a touch-tone phone, call (313) 953-2047, then her mailbox number, 1903.



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