

Paid Advertisement

Tips to Educating Your Kids on the Value of Money

by Lori Z. Bahnmuller

While filling through the mist clearance wares at a department store recently, the plaintive protests of a pre-teen daughter shopping with her mom sent me back some 20' years.

Having been denied a pair of expensive, fashionable Capri pants, the young woman suggested that if her mom lacked the funds she "should just put it on her charge card."

While I would never have berated my mom in such a manner, I did do my share of public whining over Gloria Vanderbilt jeans. Instead of leading me to a discount department store or sale rack, my mom typically folded.

Being a full-time professional and mother of five-and-ridiculously-generous-she-was-probably-too-tired-to-argue.

Unfortunately, it would take several years and thousands of dollars before I would learn how to be a savvy consumer.

Not surprisingly, sex and money are the two most avoided topics in American households. But, tune-in to a sitcom, surf the Web, catch a movie or peruse the magazine rack, and you can't avoid either topic.

Most kids understand the power of money. That is, that they need cash in order to buy goods. What many lack, however, is an appreciation for the value of money. Clothes shopping, particularly the back-to-school variety, can provide an excellent opportunity for parents to introduce their children to basic personal finance skills, such as budgeting, saving and wise consumerism.

A reader once wrote to me about how her mother employed financial incentives, budgeting, and even inventory, into their annual back-to-school shopping treks:

"Mom always adhered to a strict budget-set well in advance of leaving the house for the mall. Each of the three girls had a separate budget,

based on grade performance in the previous school year, and bonuses incurred here and there for additional chores completed throughout the summer. We were also responsible for taking inventory of shoes, jeans, and other items to make sure we only purchased items we needed."

The Internet and library are rich with innovative, fun and interactive ways to help teach children the value of money. The following ideas were found on moneycentral.com:

Treat your own money with respect and let your children share that respect.

If you bend down to pick up a penny, your children learn that even small amounts are to be treasured. If you carefully consider the price of a purchase instead of just saying, "charge it," you instill a sense of value in those watchful eyes.

Let your children make money decisions from an early age.

Work out a budget for your child based on necessities such as school lunch money and bus fare before dawning out allowances. Feel free to build in enough extra for some discretionary choices.

Give your child an attractive alternative to spending.

Many local credit unions and banks offer accounts specifically aimed at children that let them add a few dollars at a time. Explain that the financial institution pays you "rent" to use the money and that the interest builds up and earns more interest.

Make sure your child understands the connection between work, paychecks and taxes.

Let them know that the hours you work translate into the dollars you can spend. Be sure to give them some idea that the government takes about one-third of your earnings in taxes.

When your child is at an appropriate age, encourage them to get some work experience.

It could be as simple as walking the neighbor's dog or baby-sitting to bagging groceries at the local store or working in a restaurant. By the time your child receives a paycheck, minus taxes, the concept of spendable income vs. saving will become very real.

Make investments for children in stocks and mutual funds and explain them to your children.

If young children are aware enough to be targeted for marketing by big consumer companies, they can certainly recognize and distinguish between brands. And if there are brands they use and like, by all means invest in a few shares of stock. Then they'll get annual reports with pictures of the company's products, and perhaps feel some pride of ownership. There are several mutual funds designed to appeal to children while still concentrating on investment performance.

Stein Roe Young Investor Fund (SRYIX) has been among the top performers, while sending information and activity kits to teach children about investing.

Get involved in school curriculum choices that teach the value of work and money.

Junior Achievement reaches children throughout the country, in courses designed for kindergarten through high school, to educate them about community, the workplace environment, entrepreneurship and investing. For more information in regards to financial education for young adults visit creditunionsrock.com, a non-commercial Web site sponsored by Michigan credit unions.

Lori Z. Bahnmuller is vice president of association services for the Michigan Credit Union League. Send financial questions to: "Your Money Matters" c/o Michigan Credit Union League; P.O. Box 8054; Plymouth, MI 48170-8054. Or, visit the League Web site at www.mcul.org.

Content, Marketing Resources on International Credit Union Week Available Online

NORTHVILLE TOWNSHIP, Mich., September 23, 2002-Credit unions, credit union leagues and the media in search of information about International Credit Union Week-slated for October 13-19-need look no further than the Michigan Credit Union League's (MCUL) Web site at www.mcul.org. The Credit Union Week 2002 pages, which were designed by the CU Village.com team, display history, statistics, promotional and marketing ideas, articles and graphics.

Michigan's spin on the International Credit Union Week theme is "You're Worth More at a Credit Union."

"We chose this theme because it conveys one of the basic tenets of the credit union philosophy, namely that people are worth more than money," said MCUL Association Services Vice President Lori

Bahnmuller. "Consumers have to come to know and use credit union services because of this basic, but very powerful principle."

The pages are easily navigable as they're divided into two areas: one for credit unions and the other for the media. Also new this year, credit unions can download marketing resources such as window clings, posters and postcards to leverage off the statewide theme.

The media can also access these graphics in addition to editorial, Credit Union Week history, statistics and pictures.

The team efforts of CU Village.com have produced award winning Web sites like T&C Federal Credit Union's Web site, which was named a Credit Union Times' 2001 eAward winner.

"This was a great project to be part of because of CU

Village's close relationship with credit unions and the MCUL," said CU Village.com Chief Operating Officer Todd Mason. "We were honored to be able to use our talents to help get the good word about credit unions in celebration of Credit Union Week via the Web site. It really shows the value of leagues, credit unions and credit union service organizations working together to do great things."

Organized in 1934, the Michigan Credit Union League (MCUL) is a statewide trade association


representing Michigan credit unions. Based in Northville Township with a satellite office in Lansing, the MCUL offers credit unions assistance in the areas of regulatory compliance, legislative advocacy, media advocacy and operational information.

2002 Credit Union Statistics: Definition of a Credit Union

A credit union is a member-owned, not-for-profit cooperative financial institution formed to permit those in the field-of-membership specified in its charter to pool their savings, lend funds to one another, and own the organization where they save, borrow, and obtain related financial services. Members are united by a common bond and democratically operate the credit union under state or federal regulations.

*U.S. Credit Union Statistics:
of U.S. credit unions - 10,355
of U.S. credit union members - 81.6 million
Total U.S. assets - \$214 billion
Total U.S. savings - \$449 billion
Total U.S. loans outstanding - \$331 billion

*Michigan Credit Union Statistics:
of MI credit unions - 450
of MI credit union members - 4.4 million
Total MI assets - \$26 billion
Total MI savings - \$22 billion
Total MI loans outstanding - \$16 billion



Your first choice

Many people think of Royal Oakland Community Credit Union as their first choice for an auto loan. Others think of us as their first choice for convenience. The fact is that Royal Oakland Community Credit Union is a great value for all your financial needs. Compare the value of our services and you'll see why we should be your first choice in all financial services.

Royal Oakland Community Credit Union
(248)549-3838 • www.roccu.org

You're worth more at Communicating Arts Credit Union!


A Full Service Financial Institution.

CACU has been helping our members and their families obtain financial services since 1935.



Join Today!
For membership information, call or visit our website today.
(313) 965-8640
(800) 433-8780
www.CACUonline.org

Did you know?



Lemons have more sugar than oranges.


Apples more effectively keep people awake in the morning than caffeine.

You burn more calories sleeping than watching TV.

Over 250,000 credit union members across Michigan save on their auto insurance through AAA.

AAA is proud to recognize Michigan's credit unions during National Credit Union Week.

Thanks to AAA's group discount, members of qualifying credit unions save even more money on their auto insurance. Not to mention they enjoy AAA's award-winning, 24-hour Claim Service, plus a wide variety of additional discounts including insuring multiple vehicles, having an approved anti-theft device and more! For a free, no-obligation quote, contact your local AAA office, call 1-800-AAA-MICH or visit www.aaairect.com/group/insurance.




Insurance underwritten by Auto Club Insurance Association family of companies

Community Federal Credit Union

At Your Service. In Your Community.

For over 50 years, Community Federal Credit Union has been providing a full range of financial services to those living or working in Plymouth, Canton, Northville or Novi.

Call us, or visit an office near you to see how easy banking can be.



(734) 453-1200
(877) 937-2328
www.cfcu.org

Plymouth Canton Northville Novi

Accounts federally insured to \$100,000 by the NCUA, an agency of the US Government.

Your Financial Partner for Life

At Co-op Services Credit Union, we're committed to serving our members in the best possible way. Safety, value, service and convenience are four basics we adhere to. We offer you the latest in technology and services, at this quarter billion dollar, non-profit, financial institution. Come join us and see for yourself why over 50,000 members have made us their financial partner for life.

Want more information? Visit our Web site at www.cscu.org

Where EVERYONE is Welcome to Join!



1-800-321-8570



Dearborn | Wyandotte | Livonia | Westland | Walled Lake | plus 21 other locations