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Parental Wisdom – Emails

Watering the Money Tree As We Explain the Country's Economic Woes to our Children

Brown legal size envelopes, edges worn with age and use would make their monthly appearance. Each outer label would indicate where the money would go. This is how I remember my father dealing with the family finances. In those days, people were not in personal debt the way they are today. They waited until money filled the 'wish list' envelope so they could actually afford what it is they wished for.

"I'm living so far beyond my income that we may almost be said to be living apart. " - e.e. cummings U.S. poet (1894-1962)

Exerpted from Because Kids Don't Come With Manuals®

When asked to inscribe my book, it's always the same, "Spend half as much money, and twice as much time with your children."

Never has that been more true than today given the current state of the economy. Rather than feeling helpless, use this as an opportunity to teach your children an important life lesson - how to handle money.

As soon as children can understand, begin to discuss wants vs. needs. You can present that distinction during dinner; you need food, but you want dessert. *"Happiness does not consist of having what you want, but wanting what you have."* - Confucius

Give children an allowance so they learn how to manage their own money. Be sure to setup a bank account in their name.

The family is a child's first and most important experience in belonging. For that reason, make sure children have chores which you can find on Parental Wisdom's Discover Free Reports - see Chore Chart Ideas.

Be a good role model. Teach your children how you manage the household budget and pay bills.

Instead of clothes or toys or electronics, consider family outings or time spent together as a way to reward children.

Encourage your child to select a favorite charity and to spend time and money on that charity.

Counter the overwhelming marketing of licensed products and walk down the aisle with your kids showing the different price of the plain notebook or the one with Hannah Montana®, High School Musical®, Cars®, etc.

Keep the change. A great way to demonstrate how pennies, nickels, dimes and quarters add up is to put the change from your pocket/pocketbook at the end of each day in a large jar. Don't go to a bank where you dump in the contents and leave with cash. Instead, consider the old fashioned way of sorting and rolling the coins yourself. Make a guessing game of the total and then vote on what to do with the savings. Studies have shown the best conversations with kids happen during an activity.

Make it a practice for everything new that comes into the house, you remove something; preferably giving something to charity. "It's possible to own too much. A man with one watch always knows what time it is; a man with two watches is never quite sure." - Lee Segall

Involve your children in purchasing activities. With their comfort level in navigating the Internet, you may be surprised how they can investigate the best purchases, especially when it comes to electronic purchases.

Discuss whether or not teens can handle a part-time job without neglecting schoolwork. Have teens set financial goals such as saving for a car.

Explain to students going off to college that credit cards shouldn't necessarily be banned, but spending must be handled properly. According to a survey in USA Today, college seniors are more worried about debt than terrorism.

Despite conventional thinking you are not defined by what you do, but who you are and how you live your life. If you are at risk for losing your job, make sure you're kids know that.

As always, the best lessons come from the wisdom of the past. Nothing says this better than following quote:

"The national budget must be balanced. The public debt must be reduced; the arrogance of the authorities must be moderated and controlled. Payments to foreign governments must be reduced if the nation doesn't want to go bankrupt. People must again learn to work, instead of living on public assistance. "

If you want to know where this quote came from, or comment on this email, visit [Parental Wisdom's blog].