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## ***Parents responsible for espousing sound money advice***



John Schooler

Making money decisions based on personal values? If not, you are probably not teaching your children to do so, either.

In “The Financially Intelligent Parent, 8 Steps to Raising Successful, Generous, Responsible Children,” authors Eileen and Jon Gallo examine how parents can create an internal structure of values for both themselves and their children allowing them to use money in healthy ways.

Giving kids a money value vocabulary is important, according to the Gallos.

This means having the words to make financial decisions based on values. For example, if children are trying to decide whether to spend their entire allowance on video games like their friends do, a money values vocabulary can help them resist peer-group pressure.

They can say to themselves, “I believe in saving at least some of my money for more important things in the future, so it doesn’t make sense to spend all of it each week on these games.”

Teaching kids this vocabulary isn’t as difficult as it seems. The problem is parents keep their values in their hearts rather than articulating them consistently.

The book lists eight money behaviors of financially intelligent parents. Here are a few to get started:

Become a charitable family. Teach children they can do more with their money than spend it on themselves. Encourage them to be more compassionate and caring.

By participating as a family, you help your children learn empathy and responsibility toward others. Your children will realize they have the power to make life better for others.

“You can start as early as age 4 by explaining to your children that because of the hurricane, many families have lost all their possessions and their children don’t have any toys,” Jon Gallo said.

“Encourage them to go through their toy box and donate toys they are too old for now. It is important for them to go with you when you donate the toys. This way you can show them that they are using their toys to help other people.”

Encourage a work ethic. A good work ethic is a learned behavior, and parents are the best models for their kids. Jon Gallo cited a Harvard University study that shows developing the capacity to work, or a work ethic, between 6 and 12 years old is the single biggest predictor of adult mental health.

So, how do you develop a work ethic for your children? Jon Gallo cited three major ways.

The first is through family chores. However, chores and allowances should not be tied together, Gallo advises. Kids should not develop an expectation to be paid to do things that they ought to do as a member of the family.

Secondly, encourage them to do their best as opposed to be the best when it comes to school work and extracurricular activities. If involved in athletic activities, they have to go to practice, show up on time and be disciplined, all of which are part of developing a work ethic.

Thirdly, as kids get older, they can get part-time jobs. Parents need to be conscious of the values they model.

“One of the most important things for a financially intelligent parent to be aware of is the messages that their own behavior sends to kids,” Jon Gallo said. “That ranges from always needing the newest thing, to how you treat the clerk at the department store or the person who is parking your car.”

“Are you demonstrating to your kids that because you have money, people working at a lesser job are less valuable people?” Gallo said.

“You need to teach kids that money is something they have, not something they are,” Gallo said. “Their net worth and self-worth are entirely different things. There are wonderful people without any money and not-so-wonderful people with a great deal of money. Give your kids money and good values, and they will treat money as a tool and be good, responsible people. Give them money without values, and who knows what they will be like.”

The way you spend your money sends messages to children about your values and priorities. Financially intelligent parents are highly conscious of their spending habits, how they balance their work and family time, and the values they communicate.

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