

Clue kids in to family finances

by Kristen D'Andrea

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Melville tax attorney Karen Tenenbaum

Ask any average high schooler about the cost of his monthly cellphone bill. Chances are he'll have no idea. Chances are even less that he'll know how much it costs for car insurance, electricity or the food bill for an average family living on Long Island.

And that, according to Henry Montag, is a problem.

"Kids have absolutely no clue what it takes to run a household," said Montag, certified financial planner and partner at [Financial Forums Inc.](#) in Uniondale. "They will have a better appreciation of not wasting when they realize how expensive things are. But if parents don't share, kids don't have a clue."

Montag leads educational sessions designed to open a dialogue between children and their parents and grandparents. The financial literacy programs provide an overview of the basic, practical skills needed to ensure a family's healthy financial future. Concepts covered include distinguishing between wants and needs, building good credit, sticking to a budget and the importance of saving.

Often, Montag said, parents may not have led "an ideal, charmed, financial life themselves." In an attempt to give their children more than they had, "parents and grandparents wind up inadvertently spoiling their kids, making them more dependent, rather than independent," said the father of five.

Other times, poor financial habits are passed on from one generation to the next.

"People would rather talk about sex than their finances," Montag said, adding, "We are trying to change that."

New websites aimed to help children learn fiscal literacy are available. From sites serving as a virtual family bank to those targeting younger kids with interactive, money games, there are myriad online opportunities for parents to get assistance in teaching financial responsibility.



“Anytime you create an environment that encourages Mom and Dad to sit down and have a conversation about money, you’re creating the right environment,” Montag said.

Sites such as [FamZoo](#), [ThreeJars](#) and [Count My Beanz](#) encourage 4- to 13-year-olds to manage their “money” through saving, spending and donating. Parents are the bank and kids earn money in the form of IOUs after completing chores and odd jobs around the house.

The Mint includes games, quizzes and challenges built around earning, saving, spending and giving. There’s a Tips for Tweens section and a Be Your Own Boss Challenge to help aspiring entrepreneurs determine if they’ve got what it takes.

Savings Quest ([www.mysavingsquest.com](#)) and The Great Piggy Bank Adventure ([piggy bank.disney.go.com](#)) are virtual board games with colorful animation and trendy characters. In the latter, kids choose a player and set a financial goal, such as saving for a pet, remote-controlled helicopter or art easel. During the game, players are tempted to veer off their savings track and spend money on other, smaller items. The site forces players to make tough choices that affect their financial plans while encouraging kids to use different investment strategies to grow their assets.

Similarly, Savings Quest enables players to choose a character, pick a job, earn a paycheck, select a savings goal and build a budget to meet that goal.

Although there are many tools available, Montag concedes that a great deal of financial literacy involves common sense.

“Parents have all of the information they need,” he said. “They can use their own household as a learning experience.”

This summer, [Karen Tenenbaum](#), a Melville-based tax attorney, was one of 50 female small-business owners from across the country named a Top 10 Pitch winner by Count Me In/American Express OPEN, for her plans to promote financial literacy using her cartoon character, Walter the Vault. Through several YouTube videos, Tenenbaum created financial poems set to music, which can be used by parents as tools to reinforce financial education.

“My goal is to reach kids at a young age (5- to 8-year-olds), when they might not understand the value of money yet, but they know they want, they want, they want,” Tenenbaum said.

Tenenbaum has developed eight jingles featuring Walter the Vault and based on the Money as You Grow standards developed by the President's Advisory Council on Financial Capability.

Through the jingles and YouTube videos, she hopes children will remember relevant financial tips, such as those found in one of Walt's poems: "Save your nickels, save your dimes; listen well to all my rhymes. And if you do, it's me you'll thank for all the money in your bank."

The next time a child has a tantrum in a store, crying, "I want this," Tenenbaum's vision is for a mom to sing the jingle about wants versus needs.

"No one is teaching these kids, 'No, we're not going to put everything on the credit card and keep spending,'" she said.

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Link: <http://libn.com/2012/10/17/show-them-the-money-2/>