

\$MONEY Sense

OF ORANGE COUNTY

A Non-Profit Organization Serving Orange County Summer 2001

THE BANK OF MOM & DAD



LET YOUR KIDS BANK ON YOU FIRST

Kids learn about money from the media, their friends, and most importantly, you. The best way to help your child become a good money manager is by managing your own money well. Further, studies show that families who discuss financial matters openly will fight about money much less than those who don't. While you needn't disclose details, children will find it helpful to have a general understanding about the family's financial picture. Knowing that their family's finances are stable gives kids a sense of security.

KEEP IT SIMPLE AND CLEAR

Answer your children's money questions openly and simply, letting their age determine how much information you reveal. You can start talking to children about money as early as the pre-school years, devising simple games to help them learn financial fundamentals. Continue the teaching process through their teen years. The key is to make the learning process fun—not stressful or emotional.

LET THE GAMES BEGIN

While kids in grade-school are too young to need a checking account, they're old enough to start learning how one works. Here's a fun game to show your child how to manage a checking account:

- ◆ Set up a banking system with your kids, complete with receipt books, checkbooks, and deposit slips. Let the kids design the forms on 3 x 5 cards.

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MAKING ALLOWANCES

TEACH YOUR CHILD THE ABCS OF MONEY MANAGEMENT

Giving children an allowance can be a powerful tool for teaching them to handle money responsibly and make smart spending decisions. A child is most likely ready for an allowance when he or she can add, subtract and tell the difference between the coins—usually around first or second grade.

A recent Kidsmoney.org online poll shows that of those responding:

- 54% require some to be saved
- 74% give allowances
- 66% tie allowances to chores
- 28% base the amount on the child's age
- 26% use allowance to reward good behavior
- 11% base an allowance on their kids' needs



HAND OUT OR HELP OUT?

Should a child's allowance be tied to household chores? A 1993 survey says that many feel they should—77% of those polled required their kids to do chores for allowances. Those in favor say that it builds a strong work ethic and reinforces the relationship between effort and reward. Opponents say that helping around the house should be an essential part of family life. Others straddle the fence by giving a set allowance each week—and also requiring the child to do chores. You may need to try all three methods to find the system that works best for you and your children.

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KIDS & MONEY

SPECIAL EDITION

INSIDE...

NO MORE BROKEN PROMISES
Keeping your financial promises to your children helps them build a healthy attitude toward money.

25 SUMMER JOBS FOR KIDS
Kids can make pocket money and get the satisfaction of a job well done.

FREE SUMMER FUN!
Some great ideas to make summer special for you and your children.



QUESTIONS & ANSWERS

CCCS' PRIVACY PRACTICES

Q: Will CCCS keep my information private?

A: Yes. CCCS is committed to assuring the privacy of those who have contacted us for assistance. We assure you that all information shared both orally and in writing will be managed within legal and ethical considerations. Your "personal financial information," such as your total debt information, income, living expenses and personal information concerning your financial circumstances, will be provided to creditors, and possibly others, only with your specific authorization.

We may also use aggregated case file information for the purpose of evaluating our services, gathering valuable research information and designing future programs. Your anonymity will be maintained through the use of your client number or by using aggregate data in all circumstances.

In all other situations, your information may be released to appropriate individuals or agencies only upon your written request, or when our staff has been served by a valid subpoena.

The following Privacy Practices detail circumstances under which we will release your information to a third party:

1. We do not disclose any non-public personal information about our customers or former customers to anyone, except as permitted by law.
2. We may compile data and aggregate information that you give to us, but this information may not be disclosed in a manner that would personally identify you in any way.
3. We may disclose some or all of the information that we collect as described below, to creditors, or third parties that you have authorized who need this information in order for us to assist you after a counseling session.
4. We may disclose all of the information that we collect, as described below, to creditors and related financial institutions who need this information in order to put you on a Debt Management Program (DMP).
5. We restrict access to non-public personal information about you to those employees who need to know that information to provide service to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your non-public personal information.

Go to www.cccsoc.org/pages/support/privacy_policy.html to read our full Privacy Practices policy, or call us at 714/547-2227 to request a copy.

NO MORE
BROKEN
PROMISES



HELP YOUR CHILDREN BUILD A
HEALTHY FINANCIAL ATTITUDE

When I was about ten, I fell in love with a beautiful blue Schwinn bicycle. I wanted it so badly, my parents promised to match whatever I saved so that I could reach my goal more quickly. After months of work and saving every penny, I had half of what the bike cost. But when I told my parents I had the money, they said they couldn't afford the bike I wanted, and could only get me a used bike. I was crushed. It was as if all my hard work was meaningless. If I had worked so hard to save for the bike of my dreams, why couldn't they? – Anonymous CCCS Client

Many of us experienced financial disappointments like this one, if not as a child, then as an adult. As grown-ups, we are better able to cope with financial letdowns, but children build their self-worth and self-esteem based upon their experiences. Honoring your financial promises to your children is vitally important in helping them develop healthy, positive attitudes about money.

BUILDING TRUST

According to Marilyn August, facilitator of CCCS's Money-Health and Wisdom seminar, lack of trust is a common element among her participants. "When it comes to money, never underestimate the power of a broken promise. It can send the message that it's pointless to try to get what you want, or that you aren't worth the best that life offers, or that you needn't honor your financial agreements." And these attitudes can carry over into adult finances, creating situations of overspending, undersaving, or simple avoidance of financial matters.

START SMALL, STAND TALL

Building trust means keeping even the smallest promise, honoring the simplest agreement, and paying back the tiniest sum. While a couple of bucks a week for allowance doesn't seem like much to some adults, to a child it represents a world of freedom and control. If you've agreed to give an allowance, be consistent and pay on time. If you borrow from your kid's money stash—and who hasn't grabbed a couple of dollars at least once—ask permission first, leave a note saying how much you borrowed and when you will return the money, then pay it back with interest. The respect you show toward your children's money teaches them to respect it themselves.

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25 SUMMER JOBS FOR KIDS

KIDS CAN LEARN THE VALUE OF A HARD EARNED DOLLAR

Summer jobs can teach kids the value of hard work and reward them with extra cash. Many kids between the ages of five and seven can start doing jobs outside their regular chores, but whatever their age, be sure to detail beforehand just what must be done and how much you'll pay them. Pay kids no more and no less than what the job's worth, but be realistic and base your expectations about the job's quality on the child's age and experience.

Don't let your kids work for or with strangers. They should be able to get plenty of work from family, good friends and neighbors. State laws dictate what kind of jobs kids can have, so check first, then add any restrictions you think appropriate. Watch for summer heat and provide supervision around tools, pools, or other potentially dangerous items. Some great summer jobs include:

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| <ul style="list-style-type: none"> ◆ Fence painting ◆ Organizing attics, garages, or basements ◆ Helping parents at their work ◆ Polishing silver ◆ Working as a clown or magician for kids' parties ◆ Lawn mowing | <ul style="list-style-type: none"> ◆ Housecleaning ◆ Making something to sell to family and neighbors ◆ Babysitting ◆ Car or bike washing ◆ Neighborhood fruit picking ◆ Weed pulling ◆ Running a lemonade stand | <ul style="list-style-type: none"> ◆ Poop scooping or cage cleaning ◆ Running errands ◆ Pet sitting or dog walking ◆ Window washing ◆ Vacuuming ◆ Sidewalk or driveway sweeping ◆ Washing, drying, folding and hanging clothes | <ul style="list-style-type: none"> ◆ Cleaning and organizing cupboards ◆ Toy sorting ◆ Making cookies ◆ Setting out neighbors' garbage cans ◆ Recycling newspapers, cans, and bottles |
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MAKING ALLOWANCES

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DECIDE ON THE AMOUNT

While an allowance's goal is to teach money skills, don't forget the fun factor. If you expect your children to pay for some expenses with their allowance, be clear about what those items are—and make sure the allowance is enough to cover them and allow for some free money. This little extra amount will help kids develop spending and saving habits that can last a lifetime. Be sure that the amount you choose:

- Fits comfortably into the family budget
- Is a realistic amount for their age group
- Covers the child's expenses, plus a little extra
- Is given consistently
- Is always paid on the same day
- Is periodically evaluated to match your child's needs and age
- Allows for "some to spend, some to share, some to save"

SAVING WITH A GOAL

Allowances provide the perfect opportunity to learn saving skills. Start by helping your child set an easily saved amount for a tangible item, like a small toy. Some parents encourage saving by offering a contribution that matches the saved amount. Place the saved money in a special place where your child can see the progress—like a clear bank or envelope. You may want to place a picture of the item on the bank or create a chart showing the saving progress. Be sure to offer high praise when they reach their goal.

MISTAKES TEACH VALUABLE LESSONS

Don't be too concerned if your children make some mistakes. Having to live with their choices—good or bad—can be a powerful teacher. Resist the temptation to bail them out or to say "I told you so." You can offer invaluable advice and support, but let the final decision about handling their money be their own.

THE BANK OF MOM & DAD

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The kids can decide which portion of their allowance to keep in cash and which to deposit in the Bank of Mom and Dad. To spend money, they can write a "check" against the deposited amount.

- ◆ Help your children keep a running balance by making a "check register." Just like a bank, they can't withdraw more money than they have in their account.
- ◆ To encourage saving, pay a nice interest rate—say 10%—on any money that stays in the bank longer than a week.
- ◆ Offer loans, but set strict limits on how often they are allowed and how they must be paid back. Charge a small fee for the service and only loan a small portion of their total weekly allowance. Put the deal in writing and have both parties sign it to avoid confusion.

NICKEL & DIME

While California may be the center of the world when it comes to theme parks, you needn't pay a high price to have a great time. Here are some ways to have summer fun without taking your budget on a roller coaster ride.

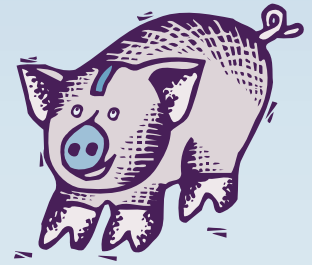
FORGET THE ZOO. Sure, kids love to look at animals, but you can find plenty of lizards, mice, birds, puppies, and kittens at your neighborhood pet store. Ask the owner if they need volunteers to play with the animals.

CAMP IN YOUR BACKYARD. Set up your tent in the backyard, roast marshmallows on the grill, and tell ghost stories. If you don't have a tent, use old sheets and blankets.

MAKE A SPLASH. Hook up a water sprinkler, dig up some squirt guns, make some water balloons, and plant that old plastic wading pool in the yard. Make fruit juice popsicles for a treat, then sit back in a lawn chair and watch the kids have a terrific time.

HOLD A THEMED GARAGE SALE. Have fun and make money, too, by selling off stuff you don't want—with a twist. Get the kids involved by dressing them up in homemade costumes that support your sale's theme. They could be pirates trying to dispose of booty from their raids or smugglers selling their contraband to support courageous rebels in the fight against an evil empire. Have your kids sell treats for half the proceeds. Or let them stage pretend fights to avoid boredom—and to entertain your customers.

STAGE A RECYCLABLES TREASURE HUNT. Another fun moneymaker, a little imagination can make this hum-drum task an adventure—and it helps the environment. Have the kids scour the neighborhood while pretending they're on a secret mission to retrieve the missing pieces of an invention made from bottles, cans, and cardboard. Then cart their haul to the recycling center and reward them for a job well done.



**FREE
SUMMER
FUN
for
KIDS!**

No More Broken Promises

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Do As I Do

Another key component of building money trust is requiring that children make good on their promises, too. If you've tied allowance to a chore, then make sure the chores are completed as agreed upon before handing out the cash. If a child borrows money from you,

make sure they pay it back before getting more. While they may rage against keeping promises they made in the past, requiring them to honor their word builds financial character that will help them create a healthy and respectful attitude toward money.



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Visit us on the web at: www.cccsoc.org

Office hours: Monday to Thursday 8:00am - 8:00pm
Friday 8:00am - 5:00pm
Saturday 9:00am - 1:00pm

Regular telephone hours: Monday to Thursday 7:00am - 6:45pm
Friday 8:00am - 4:45pm
Saturday 9:00am - 12:45pm

Please note: Our offices will be closed for the Fourth of July and Labor Day



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CREDIT IS DUE**

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*"the most innovative money management
education program available."*

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