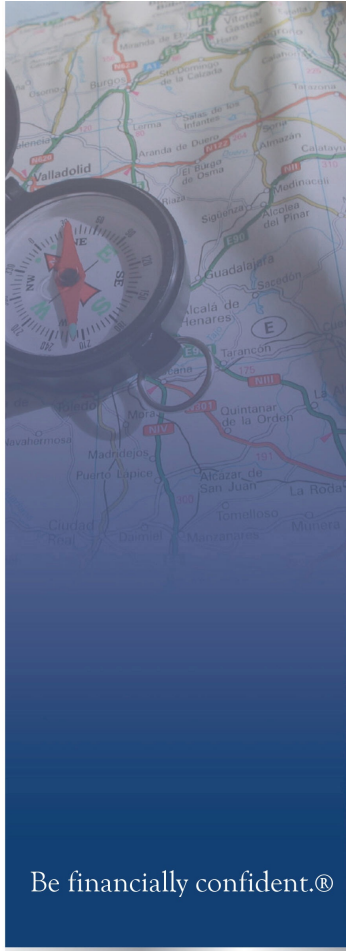


TEACHING KIDS ABOUT MONEY

by Craig Carnick, CFP®



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PERSONAL FINANCIAL ADVISORS

In uncertain economic times, it becomes ever more clear how important it is to help our children develop wise financial habits. Quite frankly, it's never too early to start teaching them how to deal with personal financial concepts. We know it's critically important that our kids develop healthy eating habits. Well in much the same vein, habits about handling money... good or bad... are learned early in life. Here are some practical tips you can start using today:

1. It's never too early to set a good example for your kids. Spend prudently, save what you can, and let the kids know what's behind your decision-making. What's the benefit of buying a season pass rather than individual lift tickets? Why did you buy your SUV rather than lease it, and why did you get a used vehicle rather than a new one? Why can't we go to Disney World every single year? There are good reasons for these decisions and your children can learn from the process.
2. Don't just give them money to go to the movies or buy videogames; provide them with a regular allowance so that they can manage their own money. There's no better way to learn how to figure out what's worth paying for and what's worth passing up. A regular income will teach them how to plan to have enough money next week. Make sure the allowance is regular; withholding it as a punishment doesn't teach them financial responsibility. At the same time, don't make it a reward for doing chores. Chores are a part of everyone's responsibility as a member of the family, and they must always be completed regardless of who's getting paid for them.
3. Have your kids write down all the money they take in, how much they spend, and what they spend it on. The adult word for this is "budgeting." The simple act of keeping note of what they spend is usually enough to curtail unnecessary purchases. A side effect will be that you'll get to see where their money is going as well, and while you may be tempted to criticize your child's decision to spend money on a foolish purchase, allowing them to make mistakes and taste the results is the best teacher.
4. Let them know how expensive the adult world is. Don't be afraid to tell them how much your mortgage costs every month, or what their school tuition is. The child should also become involved in the college funding process early on, so they understand how much of it you'll be able to cover, the potential for financial help for good grades, and what the reasonable range of tuition-cost expectations looks like.

Thirty-five years as a financial planner has proved to me that the earlier kids learn "financial fitness," the better.

About The Author

The founder and president of Carnick & Company, **Craig Carnick, CFP®**, has been providing sound financial counsel for over 30 years. Craig is a graduate of the College of Financial Planning in Denver, Colorado and received his Certified Financial Planner (CFP®) designation in 1977. Craig's acumen is recognized even outside his profession and he has been a frequent lecturer on financial matters. He has been quoted in articles in national periodicals including *Money*, *Worth*, *The Wall Street Journal*, *Black Entrepreneur*, *Physicians' News*, *USA Today*, *Financial Planning* and *Barron's*. Craig has also appeared on numerous radio and television segments addressing financial issues.



For seven consecutive years Craig has been chosen by *Worth Magazine* in its annual listing of The Best Financial Advisors in America. And in every publication of their listing of The 150 Best Financial Advisors For Doctors, *Medical Economics* has recognized Craig's expertise in his field.

In a world where the term "financial planning" has become unnaturally blurred by those salespeople who are really in the business of selling financial products... and only use financial planning as a door opener to disarm the unwary prospect... Craig has earned a national reputation for excellence. One of the central aspects that has supported Craig's national prominence is his focus on comprehensive lifetime planning, the process of working with clients over the broad range of personal, financial, business, family and community issues.

Craig is married to his high school sweetheart, Judy, and they have a daughter, Lindsey Anne. In addition to sharing a love of horses with the two women in his life, Craig is a jazz aficionado (especially Johnny Hodges), a skilled photographer and an experienced PADI dive master who wishes he could spend more time in the warm waters of the southern latitudes.

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