



Teach Your Grandkids about **MONEY**

BY SUSAN BEACHAM

A grandfather recently wrote to me about his 11-year-old grandson. The man was concerned that his grandchild was not getting an allowance and was missing out on the opportunity to learn about money as a result. He asked what he could do as a very concerned grandparent to help his grandson become financially savvy. He wanted to help teach his grandson about giving, receiving, spending and saving – without stepping on the toes of the parents.

Grandparents tell me that they would like to do a better job teaching their grandchildren about money than they did with their own children. They know more now, and have the time. I learned about money from my own grandmother, who came to live with us early on after my grandfather died prematurely. For some reason, my grandmother was just easier to listen to than either of my parents.

My advice to grandparents who want to teach their grandkids about money is to first talk to your own kids – the parents – about what you would like to do. Make sure you get their buy-in and understand what their money values are before you begin. Assure them that what you want to do is support their own

views, and then go over what you would like to add, to the financial education of your grandchild. Let them know that you are not there to circumvent them - just to add value where you can. Suggest that you would like to make a regular date with your grandchild. Breakfast or lunch once a month is very effective for getting started. But if you do not live close by, you have many options.

Today's world allows tech-savvy grandparents to “see” their grandchildren no matter where they live. Skype and FaceTime are just two examples of technology that will allow you to be face-to-face with your grandchild anywhere. However, a good old-fashioned telephone call works as well.

Tell your grandchild that you have a gift for him or her. Consider using one of our Money Savvy Generation banks, or use four see-through containers such as plastic tumblers. Make sure you label each cup with the four money choices a child has to consider - save, spend, donate and invest. Make sure you tape or tie all four cups together so they do not get scattered.

At the first meeting, discuss how you are going to help your grandchild tend to their own stock portfolio. First, the child must learn how to manage money choices. This means

taking a certain amount of money and allocating to each choice, and setting goals for each choice. Have your grandchild write down their goals on small pieces of paper, or draw a picture or cut one from a magazine and tape it to each cup for each choice. Explain that you will provide some money each week, and that when you meet you will discuss the “allocation” - where the money was placed, as well as goals associated with each choice.

It’s great to take the child to make a savings account deposit each month. But if that’s not possible, enlist mom or dad. If the parents are unwilling, then you can suggest that you will match the funds allocated towards “save” or that you will pay a certain percentage of “interest” once a month on the balance they have allocated towards “save.”

Help the child buy one share of stock each year. Get the youngster to pick the company. Suggest online research.

Remember to follow through once you start. Most kids in the classes I have visited told me that parents DO NOT follow through and therein lies part of the problem. Kids often do not trust adults when it comes to money

because we frequently break our promises to them.

Whatever you choose as a tool - four plastic cups or a four-chambered Money Savvy Generation bank - just choose something to get started. It does not have to be perfect. Anything that starts the money dialogue, when presented with the kind of love and commitment grandparents have for their grandchildren, will make this education stick.

Before you get started, take a look through the videos we created to learn more about how to introduce money to your grandchild:
www.msgen.com/asmembled/videos.html

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– a 21st century bank that teaches kids about money choice. Follow Susan’s advice on her blog at susanbeacham.com.

