

## CREATING THE NEXT MONEY SAVVY GENERATION

Brian Puckett, JD, CPA/PFS  
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Although the holiday season is behind us, there are some gifts we give on a regular basis, like the values we share with our children and the lessons we teach them. One of these is the importance of being responsible and informed about their money.

According to Bankrate's 2003 Financial Literacy Survey, while "70 percent of Americans polled consider themselves good to excellent at managing their money...only 25 percent scored above a 'C' when it comes to actually doing it." Clearly, a gap exists between intention and action.

As parents and grandparents, we have a tremendous opportunity to help our children and grandchildren develop good habits in all areas of life. Financial literacy is no exception. Here are a few ideas on how to get started:

Preschoolers can grow up thinking that money grows on trees (or comes out of shiny machines mounted on walls) unless they are instructed otherwise. When making purchases, you might consider saying: "I'll pay for this with a check and the store will get the money from our bank" or "When I buy this with a credit card, I have to pay this much plus some more in interest later if I don't pay off the balance right away."

With elementary school age children, it is appropriate to start talking about allowances, as well as bank and investment accounts. Point out the advantages of starting to invest and save early. Internet and popular press selections abound with statistical information highlighting the power of compounding. Many of the mutual fund companies have great literature available. One of my personal favorites, the "Let's Suppose" flyer published by Franklin

Improving basic financial education at the elementary and secondary school level is essential to providing a foundation for financial literacy that can prevent younger people from making poor financial decisions that can take years to overcome.

**Alan Greenspan, Chairman, Federal Reserve Board, 2001.**

Templeton Investments, uses the analogy of a seed growing into a huge Sequoia tree to illustrate the way compounding works. Kids love it!

For teenagers, the going gets tougher. Teens are bombarded with "buy" messages from every direction: media, peers and perhaps even parents, albeit unwittingly. Teens have grown up in a recreational shopping culture, where shopping malls are more like lifestyle centers, in which they congregate to socialize and spend their (or their parents') money.

It can be challenging to talk with teenagers (about anything!), but there are several books you may find helpful:

- *Rich Dad, Poor Dad: What the Rich Teach Their Kids About Money – That the Poor and Middle Class Do Not!*, Robert T. Kiyosaki
- *Dollars and Sense for Kids*, Janet Bodnar
- *The Young Investor: Projects and Activities for Making Your Money Grow*, Katherine R. Bateman
- *Teaching Personal Finance from Piggy Bank to Prom*, Willard S. Stawski

At Puckett Retirement Advisors, we are committed to closing the financial literacy gap. We would be delighted to bring our special Money Savvy Kids™ program to your school or youth group. If you are interested in learning more about this program, please give us a call. Looking for a really cool holiday or birthday present for a special young person? Visit [www.puckettadvisors.com](http://www.puckettadvisors.com) and visit the Money Savvy Kids page.

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Brian Puckett, JD, CPA/PFS is the managing principal of Brian Puckett Retirement Advisors, a Federally Registered Investment Adviser. Securities are offered through Cambridge Investment Research, Inc. a Registered Broker/Dealer, Member NASD/SIPC and Federally Registered Investment Adviser. Phone: (405) 607-4820 or Web: [www.puckettadvisors.com](http://www.puckettadvisors.com).