

How to Foster Financially Savvy Families

Asset Building Coalition:

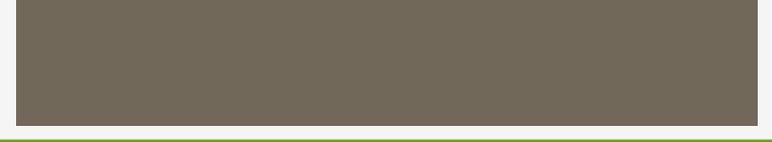
Claudia Hawkins (Hawkins & Hawkins Consulting);
Corinne Lambert (United Way of Central Iowa);
Marsha Kephart (Iowa State Bank);
Steve Havemann (Youth Policy Institute of Iowa);
Traci Stiles (Des Moines Metro Credit Union)

Agenda

- Welcome & Introductions
- Opportunity Challenge
- Research Findings & Practical Application
- Your Beliefs About Money
- Resources
- Closing

Introductions

- Panel
 - Claudia Hawkins
 - Corinne Lambert
 - Marsha Kephart
 - Steve Havemann
 - Traci Stiles
- Your Table Mates
 - **Share with your table mates, one thing you either regret or don't regret spending money on.**



Daily Opportunity Challenge

A Financial Education Exercise For Families & Classrooms

Daily Opportunity Challenge Process

- Each table group has one topic with questions for you to discuss.
- Topics include:
 - Media
 - Shopping
 - Paying Bills
 - Cost Of Living/Modeling Good Spending Behaviors
- We will tell you when time is up

Daily Opportunity Challenge

- Think about the activity you just completed.
 - What is at least one idea of how to better talk with your family about money that you gained?
- When you get home, Take the whole Daily Opportunity Challenge quiz in your resource packet to find out how well you make use of daily opportunities!

How was money managed in the household where you were raised?

Well.....Badly
With love.....With anger
Feelings of abundance.....Feelings of scarcity
Control.....Chaos
Cooperation.....Conflict
Open discussion.....Secrecy, silence
Pride.....Shame

- Do you now handle money similarly, or differently, from the money style in which you were raised?
- What does money represent to you?
(Security, adventure, success, freedom, independence, conflict, etc.)

Research Findings

- Save = To conserve economic resources that are not required to meet one's current basic living needs
 - Best results with a GOAL
- Parents are their child(ren)'s first teacher
 - Talk calmly about money – start early
 - Money has value – use cash vs. credit to teach
 - When you spend it, it is gone
 - Difference between needs & wants

To set the stage for a financially secure life:

- **Dream On** - Encourage children to dream and set goals, and then help them establish a habit of savings to achieve them.
- **Focus on Four** - Guide kids to adopt the four-part piggy bank concept in their savings plan. Every dollar of income is divided among four buckets: spend, save, grow and give.
- **Match That** - Reinforce positive behavior by adding a matching contribution when kids take the initiative to save.
- **Put Them in the Driver's Seat** - Nothing helps children learn about managing money better than doing it, which is a good reason for them to be responsible for an allowance or small budget.
- **Stress a Simple Formula** - Whatever their age or knowledge level, following a simple rule will go a long way toward anyone's financial security: spend less than you make. A financial representative can help you create a financial plan that will help you follow this formula and meet your long-term goals.
- **Seize the Teaching Moments** - Whether you demonstrate comparison shopping at the grocery store or explain your family budget at the next back-to-school sale, every day offers possibilities to increase children's financial literacy.

Research

- Allowance
 - Start around 6 years
 - \$1/week for number of years
 - Start weekly, then bi-weekly for preteens and monthly for teens
- Management expectations
 - 40% spending
 - 40% short term savings
 - 10% long term savings

Research

- Grocery shopping & teaching – value of different amounts
- Field trip to bank
 - Watch you make a deposit
 - Teach about interest
 - Open account around age 10
 - Help them follow progress online
- Open credit card offers & talk through them together

My Beliefs about Money

- Which belief did you agree with the most?
- What belief did you find the most interesting?
- What belief was least like you?

My Money Stories

- What would your parents never spend money on? Will you spend money on this?
- What have you spent money on that you wish you hadn't? Did it effect you long term?

Resources

- www.dallasfed.org
- Building Wealth – Guide for Generations
 - Learning the language of Finances
 - Budgeting to Save
 - Saving and Investing
 - Building Credit and Controlling Debt
 - Protecting Your Wealth

Resources in your Packet

- Financial Resources
 - Websites & Books
- Central Iowa Asset & Financial Capability/Planning & Consumer Credit Counseling
 - People & Organizations in Central Iowa
 - Create your own local list based on this one

Thank you for attending

We hope you are more comfortable talking with others about money and that this will lead to making it easier for your family to create, adjust and adhere to a budget that reflects your values and goals.

Daily Opportunity Challenge: Media

- What shows do your family watch (for adults or children) that portray realistic/ridiculous ideas about earning, saving, or spending money?
- What commercials might provide opportunities to talk about spending and saving in your family?

Daily Opportunity Challenge: Shopping

- Do you talk about why you buy certain products over others? (quality, price, bulk)
- Do you talk about regular and sale-priced items?
- Do you explain how to comparison shop?
- Do you talk about your list or budget before, during, or after shopping?

Daily Opportunity Challenge: Paying Bills

- Does your family have a budget and list of expenses shared with the whole household?
- Do children understand what utilities are and how to keep costs down?
- Do they know the value of household items and why to take care of them? (ruined carpet, furniture, etc.)
- How does your family handle unexpected expenses?

Daily Opportunity Challenge: Cost Of Living/Modeling Good Spending Behaviors

- What are paycheck deductions? What is gross vs net?
- Do you wait for sales?
- Do you save and pay cash for items?
- Do you talk about the need to wait and how to limit immediate gratification?
- Do you plan big purchases as a family?