



Dad, Be a Financial Superman to Your Kids

CFP Board Ambassador Offers Tips on Teaching Kids How Money Works

Washington, D.C., June 15, 2016 – Every dad wants to be a superhero to his children. On Father’s Day, kids remind their dads of all the reasons that they are appreciated – because he is wise, strong, patient, hard-working, and good at solving problems. But what many fathers don’t realize is that they may be falling short of superhero status when it comes to teaching their kids about money.

“The money habits and goals of parents leave an impact on children,” said Detroit CFP Board Ambassador Robert Schmansky, CFP®. “The conversations between dads and their children may be remembered and passed on to future generations; be it concerns about money, or sound money habits they see and pass on to their children.”

In a recent article posted to LetsMakeaPlan.org, CFP Board provides a few ideas for parents to help teach their kids how to be more financially savvy:

- **Money is not just for spending.**
Kids view money as having one function: the way to get stuff, now. Instead of letting them spend their money as soon as they get it, teach kids to consider other uses for their funds – such as saving and giving – and engage them early about why saving is important.
- **Your credit limit is not money in the bank.**
Based on how many adults use their credit cards, it can be easy for children to assume credit is the same as cash. Don’t wait until your child gets his or her first credit card to teach them about responsible credit use. Explain that only charging as much as you can reasonably pay off will help avoid problems down the road.
- **Money may not grow on trees, but it can grow when it is invested.**
Once a child has grasped the basics of saving versus spending, introduce the idea of investing. Explain the risks of the stock market and the possibility of owning a “piece” of a company they know, like Apple or Disney, by buying company shares or finding a mutual fund that holds company stocks.
- **There are at least two sides to every financial decision.**
Help your child think through financial decisions by teaching them not to make choices unilaterally, without regard to quality, or thinking that an investment with a high rate of return is better than one returning less. Share personal experiences of how you’ve made important financial decisions to help them better understand the costs and benefits of their choices.
- **Money management can be fun.**
Turning money management into a family event can help teach children how to budget in a fun way. For example, allowing older children to plan one aspect of a vacation, such as family lunches or an evening’s entertainment, can be an easy way to have a discussion about finances.



A CFP® professional can speak to your child about smart money choices. This can be particularly valuable for kids heading off to college where they may be handling money and credit cards for the first time on their own.

For more information on financial literacy courses and programs, visit the Jump\$tart Clearinghouse website.

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ABOUT ROBERT SCHMANSKY, CFP®

Robert Schmansky is the founder of Clear Financial Advisors of Metro-Detroit. Rob has over a decade of experience helping individuals and families meet their financial goals and overcome money concerns. He is frequently quoted in the media on issues regarding personal financial planning, and has been a contributing writer for U.S. News & World Report, Forbes and Yahoo!Finance, and an investment expert for FiLife, a former Dow Jones/IAC joint Internet venture. He has been an adjunct instructor of economics and the required courses for candidates to sit for the CFP® exam. Investment News selected Rob as a 2015 40 Under 40 financial planning professional and he is the 2013 PlanPlus Global Financial Planning Awards North American finalist.

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