

Managing Money

Roads to Success is a new program designed to help middle and high school students prepare for their futures. This newsletter will keep you posted on what we're doing in school, and how families can follow through at home.

Did you know?

In a 2004 survey, six out of 10 high school seniors said they learned most of their money management skills at home.

Do you think money grows on trees?

I don't care if all the other kids have it. You're not getting it.

Parents often make it clear that they don't want to be nagged to buy things that seem silly or cost too much. But there's lots more you can say to help your teen learn to manage money.

Want or Need?

Managing money is all about making choices.

The average American child sees up to 40,000 TV commercials a year. The pressure to have the right clothes, toys, and electronic gadgets can be huge!

To help your teen resist this pressure, help him figure out the difference between things he wants

and things he actually needs. (He needs shoes. He wants a special brand of sneakers.)



Some families ask kids to decide just how important brand names are. Parents say something like, "I'm willing to pay up to (name a reasonable amount) for sneakers. If you want the (name your favorite basketball star) brand, you have to come up with the extra money yourself."

Keeping Track

Teens can't make good financial choices if they don't know where their money's going.

Making a list of every purchase will help your teen separate financial fantasy from reality.

Spending \$1 a day on snacks? That's \$365 a year. \$5 a day on fast food? That's \$1,825 a year! Enough for a fancy computer, almost a year of community college, or a family trip to Disney World.

Savings

Saving money = power. The power to get through an emergency. The power to buy things you need without going into debt.

To get your teen into a saving habit, help him set a goal he can reach in a few weeks or months — like buying a T-shirt or CD. Reaching the goal should feel great. So great that the next goal can be a little bigger or take a little longer to reach.

If your teen doesn't have a savings account, you can open one for him at your local bank or credit union. (Ask about teen accounts that require a parent's permission to take money out.)

Grade by Grade: Money in the Classroom

It takes practice to manage money. That's why Roads to Success students are starting in Grade 7, where they'll find that it's all about choices. They'll learn about wants vs. needs,

techniques advertisers use, and what to think about before they buy. They'll also "shop" for purchases like work boots and basketballs, comparing prices, brands, and quality.

For more about kids and money, visit www.consumerjungle.org or www.360financialliteracy.org.

For program info, visit www.roadstosuccess.org.