



Consumer Tips April 2011: Financial Literacy Month



Do you know Financial Literacy Month is celebrated in April all over the world, including the United States? Its purpose is to shine a spotlight on practical financial education.

With the current worldwide economic conditions and national and local discussions on budget shortfalls, no doubt there will be significant attention on Financial Literacy Month this year. You may see lots of classes, articles, and speeches focused on ways to manage money. The national Financial Literacy Month movement hopes to inspire people to take control of their finances and increase their knowledge of practical money matters, and volunteer to teach others about the necessity of understanding the language of money.

Here are some tips that can help you teach others about managing money during the next 30 days.

1. If you know kids under age six: Teach them to save. Start with a piggy bank or a shoe box. Help them find and collect coins in your car, house, even walking outside. At the end of each week, help them add up their savings. At the end of April, add up their savings for the entire month. Challenge them to do the same for the next month. Pretty soon they have started a savings habit.
2. If you know kids between 6-11: Teach them to save during the next 30 days by putting their savings in a piggy bank or a shoe box. Visit your local community banker and ask if he or she would show your kids the bank vault where money is stored. While you are there, open up a savings account in your child's name. Consider providing an allowance for doing chores with a good attitude. Everyone is expected to do their chores; the super attitude makes the difference and could help your children earn some money that they control.
3. If you know kids between 12-15: Teach them to save and spend wisely. Talk about choices and decisions, the difference between needs and wants (I need to have food; I want to have a monster drink). Help them find small jobs that bring in money. No matter if it is raking leaves, feeding a neighbor's pet, watering plants, or babysitting. Ask them to keep a 30-day journal

of their earnings. Take your child to your local independent community bank and open a savings account and encourage them to keep adding to their balance.

4. If you know kids between 16-18: Driving may be part of the new routine. Give them a mileage book and ask them to track their driving miles for 30 days. At the end of each week, ask your child to multiply their miles by the current IRS reimbursement rate, currently 51-cents per business mile. This will help your kids begin to see the cost of keeping a vehicle. In addition, ask your kids to open the envelopes with your telephone bill, your gas bill, and your electric bill. Teach them how to read a bill statement. Encourage them toward a savings goal of \$500.
5. If you know "kids" between 18-25: Teach them how to save and spend wisely. Talk about the process of renting an apartment, the deposits needed for gas, electricity, insurance and other choices and decisions they will have to make as they leave your household. Talk about the need to pay bills on time and how this can impact their credit score. Tell them a good credit score can save thousands of dollars on a car purchase.
6. Encourage all of the young people you know to save and spend wisely. With the "financial disaster" stories on the news, it is important to inspire them with hope and a firm resolve that they can achieve a level of financial stability.

Your community bankers encourage you to make Financial Literacy Month 30 days of opportunities to help others think about the language of money, to save, to spend, and eventually invest wisely. Financial knowledge can help prevent a lifetime of living paycheck to paycheck and help everyone get ahead.

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