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Impart Financial Values to Your Children

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Learn the "value of a dollar" is often repeated by parents worldwide. Kids who miss out on this timeless talk may face devastating consequences. The best approach for physician-parents is to teach by example. It's up to you to practice the same financial principles that you preach to them.

Our grandparents sang the same value-of-a-dollar tune to our parents, who then preached the harmony to us. But the connection is becoming so distant.

Unlike the years when the employed stood on pedestals, in today's mobile society there are an unprecedented number of 2-income families, bringing in more money than ever before. Yet, work limits time with our kids, which leads to tremendous guilt. In response, the tendency is to provide children with money in lieu of time. Money actually becomes a substitute for participating in our kids' lives.

The end result of all this is that today's youth expect more and know less about what anything costs. Rarely do they work for their money and, therefore, don't appreciate the value of a dollar. Acting as if money grows on trees sums up the attitude of the majority of today's fiscally challenged youth.

Today, money is more available than ever. Even teenagers can receive

credit cards without parental approval. What teenagers don't realize is that easy money has strings attached. Kids who skip the tough lessons become financially handicapped, making it difficult for them to take responsibility for their money problems. By failing to teach the value of a dollar, we're raising a generation of children disinterested in making their own financial decisions.

Give your kids a health financial start. Teach them the basics of money management, and make sure they watch you practice it. Use the following valuable tips to get your children fiscally fit:

- Teach children to take ownership of their required household chores.

- Talk to children about the value of items they buy, their purchasing decisions, and their options for using money.

- Open up bank accounts for your kids. Encourage them that no amount is too small to deposit. Encourage kids to make the deposits themselves.

- Involve kids in household financial issues, such as the family budget, living expenses, college/retirement funds, and saving for vacations and major purchases. Kids ought to know how parents approach future plans. This teaches them that vacations, new cars, and new clothes don't just happen on a whim.

- Use a weekly allowance to teach

them how to budget. Show them how quickly it adds up when they save.

Discuss the difference between wants and needs. Let them lend a hand and help you pay the bills one month.

- Kids should earn their money based on age-appropriate standards. For example, if a teenage driver does not maintain a 3.0 GPA, then the parent is no longer responsible for paying car insurance. This is a crucial step that demands consistency and follow-through by parents.

- Base the amount of an allowance on what it has to cover as well as what you can afford to pay. Help them create a spending and savings plan.

- A high school graduate should know how to budget, save, balance a checkbook, and avoid the credit card debt trap.

Implementing these ideas into your children's financial plans puts them on the right track to becoming productive individuals. It's part of our social responsibility as parents. Follow through with these ideas, and set a good personal example. Encourage often, and provide lots of positive feedback. Teaching kids to have a healthy attitude about money helps them learn patience and discipline--skills necessary for success in almost any situation today. ■



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