

KIDS AND FINANCIAL ENTERPRISE

by Sally Burgess, Forefront Families LLC

We were visiting my brother in Tasmania two nights ago and got into a very interesting discussion with their 13-year-old son, Sam. Although the whole family is talented in different ways Sam is particularly interested in music and money. He told us that he 'busks' in their local township and saved up \$500 recently for his efforts. He worked out that he is getting \$60 an hour for playing his guitar on the street. We told him that the 'cute factor' is really working in his favor at the moment, but that he is really onto a good thing. Sam has a plan. His 'busking' endeavors are giving him the money to travel within Australia and to buy instruments and other things he wants in his life. He is getting a real kick out of doing something he enjoys while earning money in the process. Playing in front of people also enhances his self-confidence.

Sam then went on to talk about the share market and how he has been practicing 'buying shares'. He knows he is too young to actually buy into the stock market yet, but when he is 18-years-old he is going to start. We were astounded at how enterprising he has become at such a young age and asked where he got such an interest. Apparently his mom's brother is into share trading and has taught Sam a great deal about it. The huge smile on his face as he talked about his financial motivations was inspirational.

We gave Sam a suggestion about saving money. We said that if he saves \$1,000 a year in an interest-bearing account from the time he is 18-years-old till he is 35-years-old, he will retire a millionaire simply through compound interest. The cogs in his brain whirred around and he quickly asked what the advantage would be in saving \$17,000 and putting it in the bank from the beginning. We like the way this boy thinks!

Sam's enthusiasm was catching and caused me to consider the advantages of encouraging kids to become financially enterprising from an early age. We do not advocate parents pay kids for everyday chores, but by giving your children an allowance each week you can teach them the advantage of saving over indiscriminately spending it all. It doesn't take long for a child to realize the value of money - that \$10 is going to buy something way better than ten little things. Using their own money is going to make them value the thing they purchase. Kids need projects to work towards. These projects will teach them patience, goal setting, persistence and sacrifice that is required to see a plan through. Having good money sense before going into marriage is going to make for a much more satisfying relationship.

Money should not be a god. It should be respected, but not revered. It is a means of blessing ourselves as well as blessing others with a greater quality

of life. We have found we get a huge buzz when we give money to others in need. If we hoard it, we can become selfish or miserly.

The biggest single cause of divorce these days is arguments over money. By encouraging your kids to be financially enterprising, it gives them a sense of control over their own destiny and a feeling of security for their future.

If you have any comments or questions on this subject, please do not hesitate to contact us at sally@forefrontfamilies.org. We invite you to also check out our website at www.forefrontfamilies.org and our blog site at www.forefrontfamilies.blogspot.com for further assistance.