

## Play money grows up

November 11, 2007

### **Piggy banks fatten up as parents break through that last taboo and teach their children financial responsibility.**

By Kristen A. Graham

Growing up, money was a mystery to Harris Fishman, a subject parents and their children did not discuss.

Fishman takes a different approach as a father. He and his wife Ellen make sure their daughters, Rachel, 11, and Emily, 7, know plenty about dollars and cents.

"It's so easy to give them everything they want, everything they see on [TV](#). But it's more important to teach them how hard it is to make a dollar, how easy it is to spend a dollar," said Ellen Fishman.

In an increasingly consumer culture, trying to swim against the tide and teach children financial responsibility is a tough task. But it can be done.

Consider the backdrop: The debt load carried by young people has soared, jumping 104 percent for people ages 18 to 24 between 1995 and 2005, according to the nonprofit research organization Demos. Bankruptcy rates among the same group also have risen. And kids' buying power is stunning: One report put the 2002 figure at \$38 billion for youths ages 8 to 14.

American children recognize company logos by 18 months; by age 2, many request products by brand name, according to Boston [College](#) social economist Juliet B. Schor.

Few kids learn financial responsibility in [school](#), and for many parents, it's a subject as touchy as sex or drugs. Adults may lack budgeting savvy themselves or overspend in response to peer pressure or emotional needs. Many parents hope to give their children better lives than they had, even if it means going into the red. Their "gift" may ultimately be the passing on of bad habits.

How do parents teach personal responsibility? Three financial planners, colleagues who know well the long-term consequences, are making sure their children achieve financial literacy.

Harris Fishman, who lives in Abington and is president of First Financial Group, a financial planning firm in Bala Cynwyd, sees it every day: parents who don't know how to educate their children about the realities of money.

"Most of them just don't talk about it," said Fishman, 40. "I encourage them to change that."

Still, the Fishmans know it's not easy when, as sixth grader Rachel explains, "some of my friends' parents will buy them anything."

Harris and Ellen strive for balance, and age-appropriate lessons. The girls receive an allowance, but not as much as some of their peers receive and only if they finish chores. And the money, meted out every week, must be split in three envelopes.

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BONNIE WELLER / Inquirer Staff Photographer

The Fishman daughters, Rachel (left), 11, and Emily, 7, receive allowance, but not as much as some of their peers get and only if they finish chores.

Rachel's \$7 gets divided up as \$2 for spending, \$3 to save, and \$2 for charity. Emily's \$5 gets \$2 each for spending and savings, and \$1 for charity.

On a trip to the local Target store, Ellen won't buy that \$5 item Rachel begs for and she deems unnecessary, but she will gladly advance her daughter the cash to buy it. Rachel, in turn, must reimburse her mother from her "spend" envelope.

"If they really want something and it's not the holiday time or their birthdays, they have to really save to get it," explained Ellen, who is a stay-at-home mother.

Even a second grader can know lots about money, Emily said. Over the summer, she developed a burning desire for a Nintendo DS, a handheld game system many of her friends own.

Sure, she could have it, Harris and Ellen said. If she bought it. Emily counted the dollars in her spend envelope, and found she was about \$15 short.

"She was dying for it," Harris recalled. "I had her do extra chores. We weren't just going to hand over the money."

Emily's pride when she finally exchanged her hard-earned dollars for the game system knew no bounds.

"It was more than \$100," the second grader said, nodding solemnly, cradling the pink device. "I saved up for it."

Mike Kelly takes a similar approach. The Southampton, Burlington County, planner is married with five children ranging from a senior in college to a seventh grader.

For the Kelly kids, financial education kicks into high gear when it's time to drive. Getting a license isn't just about mastering parallel parking. It's about delving into the numbers - the monthly costs of insurance, gas, a car payment.

In their large family, that figure is about \$1,000 monthly, all told, for a new Ford Expedition, the vehicle of choice because it seats five comfortably.

"I think when your kids get a little older and they become more observant of parents buying their kids cars, they don't realize how much that stuff costs," said Kelly, 44, who works in First Financial's Marlton office.

When it was time for Brianna, 21, and Rebecca, 18, to go to college, he turned the family's tax returns over to them and walked them through crunching the numbers on their own federal financial-aid worksheets.

"I think it's important to be open," Kelly said. "I've always been open with them along the way - 'No, we can't afford it; yes, we can afford it, but I don't think it's my responsibility.'

"This is living in the grown-up world. This is how Mom and Dad make money - it was a good year, it was a bad year."

Kelly picks up the girls' college tuition. But Rebecca, a freshman at Catholic University, and Brianna, a senior at Philadelphia University, have taken out loans to pay for room and board. Rebecca plays field hockey and so has no time for a job, but Brianna works 30 hours a week as an assistant insurance underwriter.

"They're investing in themselves," said Kelly, whose wife does not work outside the home.

For the younger kids, being financially responsible is all about the difference between wants and needs, about saving money.

"When they get \$100 in cash from a relative, we actually take them to the bank, fill out a deposit slip, and they get the receipt and see what they have," Kelly said. "We live in this world of technology and auto-transfers, and that removes the high-touch part of managing your money. I think making kids go through the physical part is important."

David Murray gets it.

He's 22, a senior at West Chester University, and the lessons his money-savvy mother and father hammered home early really clicked when he went to college. A few weeks into Murray's first semester, he and his roommate were approached by a man asking them to sign up for credit cards.

"My roommate signed up for the free T-shirt, and I signed up to build up credit," Murray, of Abington, said.

Murray, a finance major, parlayed his financial smarts into a start-up business. He runs Jukie Party Promotions, planning regular bashes for an eager college crowd. He charters school buses, books venues and DJs, and markets his fledgling firm like crazy, working as a bartender, on Facebook, through word-of-mouth.

"I'm not a huge spender," Murray said. "When I throw these parties, I can hold off from starving for a couple of months. And I don't have to go home and say, 'Mom and Dad, give me this money.' It's a good feeling."

Murray's parents - Joe, who works with Fishman in Bala Cynwyd, and Susan, an American Sign Language interpreter - are proud of David and his brother Mike, 16. The boys started working in their early teens, banking two-thirds of their pay.

They understand that reaching goals will mean they are rewarded by Mom and Dad. If David, who graduates in December, finishes with a 3.0 grade point average, his parents will repay his Stafford loans.

Another key part of the equation in raising financially responsible kids, says Joe Murray, is giving back. The family volunteers at a homeless shelter, and it grounds the boys.

"Money does strange things to people," Joe Murray said. "They'll turn out just fine. We tell them, 'Do well by doing good.'"

