TEACH YOUR CHILD FINANCIAL RESPONSIBILITY

CHRISTINE KOTIK, PCC
IN COORDINATION WITH CHADD
ADULTS WITH ADHD & THEIR RELATIONSHIP WITH MONEY AND FINANCES

- Impulse buying
- Poor credit choices
- High credit card debt
- Student Debt
- Fewer assets
- Small or zero savings
- Financial arguments with partners
- Late bill payments
- Service shut off
- Live paycheck to paycheck
- Lose important documents
- Lack of organization of paperwork
- No budget
- Lack of planning for the future
CHILDREN & FINANCIAL KNOWLEDGE

- Money habits and attitudes are in place by the age of 7
  (University of Cambridge Study)
- T. Rowe Price’s 11th Annual Parents, Kids & Money Survey - nearly half of parents said they miss
  opportunities to talk to their kids about money and finances. And a quarter said they are very reluctant or
  extremely reluctant to discuss financial topics with their children.
- Executive Function delays of up to 30% in critical thinking, problem solving, goal setting & execution, time
  management, and organization already put children with ADHD at a disadvantage
- Get an early start but it’s NEVER TOO LATE
THE EARLY YEARS – MONEY CONCEPTS

- Work (chores) vs Responsibilities
- Wants vs Needs
- The value of a dollar
- Counting money
- Help parents make small $$$ decisions
- Saving
- The how & why of a budget
- Advertising
A PRACTICAL PLAN OF ACTION

- Give chores & responsibilities
- Pay only for work done
- Require long term savings
- Smaller/personal savings
- Budget & track
CHORES & RESPONSIBILITIES

- **Chores** – Do for money - empty dishwasher, clean windows, fold laundry, take out garbage, sweep or vacuum, dust
- **Responsibilities** – Have to do – brush teeth, homework, clean bedroom, pick up, feed pet
- Break into smaller tasks (show steps)
- Make visual – use labels if helpful, draw a diagram, take pictures
- Child should be able to do on own
| HOW TO: |  |  |  |  |
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PAYMENT

- Be organized and consistent – I know, this is the HARD part!!
- Use a chart
- Decide on rate for work
- Promotions
- Have a set Payday – every 2 weeks
  - This helps children learn to make $$ last until next payday
  - When they work more, they get more $$
REQUIRED SAVINGS

- Determine the amount – maybe 30%
- Deduct from their pay
- Open a bank account with them
- Early savings benefit
PERSONAL SAVINGS

- If child wants to save up for a bigger purchase
- Use a clear jar piggy bank (Dave Ramsey)
- Visual
- Especially helpful for younger children
BUDGETS AND TRACKING

- As soon as they are mature enough to understand
- Write it down or use an app
  - Fudget – iOS and Google app stores
- Forbes list of Allowance and Chore Tracking Apps
THE TEEN YEARS – MONEY CONCEPTS

- Comparison Shopping
- Sales – just because it’s on sale doesn’t mean you should buy it
- Consider ALL costs – shipping, etc.
- Purchases: Think about refurbished, used, older model, promotions & discounts
- Tax (income and sales)
- Credit Cards – benefits and troubles
- Total Cost of Ownership
  - Car: gas, parking, registration, maintenance, repairs, insurance
- Credit Score
- Investing

Insurance
FINANCIAL CONVERSATIONS WITH TEENAGERS

- Delayed gratification – Savings help teach this
- Don’t need to keep up with the Jones’s
- Upgrades are often not necessary
- Gratitude – Appreciate what you have
- Live below your means
- Take care of your “stuff”
- Freedom is tied to amount of debt
- Plant a retirement seed and watch it grow
"Be thankful for what you have; you'll end up having more. If you concentrate on what you don't have, you will never, ever have enough."

Oprah Winfrey
Television Host/Philanthropist

WHAT’S NEXT

- Today’s speaker:
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