



EMPLOYED MOTHERS' NEWSLETTER

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Editor - Jeanne Brown: Family Life Specialist,
 Dept. of Family and Child Ecology

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Why Not Penny-Precocious, Too?

Kids Can Learn About Money Early in Life

Dr. Joanne Keith
 Family Life Specialist
 Department of Family and Child Ecology

"If you behave, I'll give you a quarter."

"If we only had more money."

"Don't talk back to me or you won't get your allowance."

"But Sally got four presents and I only got two--" "But your two cost the same as her four."

"We're short this month with the tax payment due. I don't have any allowance money for you." "It's all right Mom, I understand."

Children see money as a reward, punishment, power, a way to share, a substitute for love, a way to buy wants as well as necessities. The ability to use money wisely is a basic and critical life skill but often we give little thought to teaching money management skills to our children.

A single parent during the depression with little money in the home regularly gave her child a small amount of money as her part of the family income to spend, give or save. Later she shared with her adult daughter: "Even though it was difficult, I was determined you would learn the responsibility and pleasure in the use of money as a child. I found it thrust upon me abruptly when I married and left home."

But in some ways teaching concepts about money is even more difficult for parents than ever before. In the past two to three decades, television and magazines have made children and parents aware of a wide variety of things to buy; affluence has made their purchase possible for a large number of youth. What was formerly a luxury may become in the mind of the child or parents a necessity. But affluence is not present for all children and families. In fact, with the high inflation rate of the past few years, the reality for most families and children is one of less availability of money. Thus parents and children are faced with increased expectations and the need to stretch dollars further.

Practice With Reality

Certainly how parents feel about and use money will be observed and learned by children. But using money also takes practice. No one would expect a child to read suddenly without practice. The practice will be most meaningful if the experience is real and relates to something necessary as well as important to the child.

It is well to remember that when learning any skill, the learning may occur irregularly much as a jagged line--- three steps forward and two or even four steps back. Mistakes will be made! But a reasonable goal would be to increase opportunities and responsibilities slowly throughout the time the child is in the parent's supervision and care.

Here are some suggestions of items for which children of different ages might spend money:

Under Six: books and playthings
paints and crayons
contributions
blocks and dolls
wagons and wheel toys -
candy...gum
gifts for others

Ages 6-9: some clothes
savings for sports equipment
carfare and school lunches
school activities
gifts for others
contributions
amusements

Ages 9-12: camps
carfare and school lunches
gifts
school supplies

clothing and upkeep
fees for skating rinks,
pools, etc.
games and special events
contributions
haircuts
special lessons

Ages 12-18: some of the above and, as the need arises, money for dates, grooming cosmetics, jewelry, clothing, school activities, savings for special purposes such as travel and future education.

No one denies that children are an expense to the family, but it is possible they can also contribute to making the family budget stretch further if they are actively and appropriately involved in the use of family money.

Be Systematic in Teaching Money Management

Preschool

Establish an allowance system by giving the child small amounts of money regularly two or three times a week, or give the child small amounts of money as the occasion for spending arises. You can help them learn about money by pointing out that money is to spend, save and share with others.

- * Allow the child the final decision even if you think they have made a poor choice.
- * Let them contribute money to church or charity.
- * Propose that they share something they have purchased with others.
- * Avoid giving a child money every time they ask for it or see something they want. They may get the idea that all there is to having money is asking for it.

6-12

Children ages 6-8 learn best from doing. Give the child a chance to use small amounts of money for his own spending and set short term goals for saving. Encourage shopping practices such as comparing prices and quality of items.

A nine year old can often make decisions and plans which they can carry out themselves. Occasionally they may go on saving or spending sprees.

Preteens are likely to conform and follow a crowd. Insecurities at this age may lead a child to compensate by spending money on friends or overeating. Understanding concern of parents is needed.

Early Teens

Young people at this age are eager to make their own decisions. Everything

they do between school activities and their social life seems to require money, and often there is a conflict between the cost of activities and the family budget. Here is when they benefit most from experience with an allowance and their own budgeting skills. As teenagers begin to take on greater responsibility in planning for personal needs and wants, it is important to allow them to participate in family financial discussions, to help them understand the use of cash and credit, and to encourage them to set up a spending plan to meet daily needs and future goals.

Sources of Money for Children

Allowances: An allowance is money given to a child on a regular basis to cover some of their personal expenses. The amount decided upon should cover expenses for which they are responsible and include some money to spend as they wish.

Cash Gifts: A child should be allowed to use small cash gifts received for birthdays or holidays as they wish.

Earnings: Young people like the independence of earning rather than asking for money. Extra money can be earned by doing large jobs around the home, babysitting, yard work, or by supplying services such as grocery shopping or a paper route. Older teens may even take on a regular part-time job.

Kids and Money

by
Julie Keith

I am ten years old and I get a budget of \$10.00 a week. That may be hard to understand because it might seem like a lot for a ten year old! But I have to pay for my own clothes, school lunches, church, saving and more! My things are very expensive! My parents want me to learn to manage money so that when I am older I will understand how to manage my money.

LEGAL TIPS



By William G. Youatt, Attorney at Law

Be Your Own Perry Mason

Do you feel you've been treated unfairly? Have you been dealt an unfair financial blow? Is the injustice too small to justify hiring a lawyer, but too great to accept without malice or rancor? If so, consider taking your case to Small Claims court.

The State of Michigan has a small claims division for civil cases under \$600 in every district court. If you decide to file a small claim, you must waive your right to a jury trial, the right to be represented by an attorney, and the right to appeal the decision of the district judge. In Small Claims court, formal rules of evidence are also waived. If the party you are suing objects to having the case heard in the small claims division, the case will be heard in the general division of the District court.

A small claims case is instituted by filing a complaint with the clerk of the court. Most courts will provide you with a one-page complaint form that includes specific, easy-to-follow instructions. You must pay a \$5.00 filing fee. The complaint will then be served on the defendant (the party you are suing). You will be required to pay the service fee, usually from \$5.00 to \$15.00, prior to the hearing. Both parties are notified of the date the case will be heard by the district judge. On that date you will be given an opportunity to tell the judge your story in your own words. The

defendant will then be given an opportunity to respond. Both you and the defendant will have a second opportunity to speak. The judge may ask either party a few questions before making a decision and then may rule for you, against you, or in between. If you prevail, your costs will be added to the judgement.

Following a few simple guidelines will help you present your case. First, tell your story in your own words as simply and as briefly as you can. Every court docket is crowded. Judges appreciate ~~people who get to the point quickly.~~ Second, take any physical evidence that you might have (such as pictures, contracts, receipts or letters) and be prepared to show it to the judge. Many cases can be won by a relevant document

in evidence. Finally, appearance and decorum are extremely important. Contrary to rumor, judges are human. Treat them with courtesy and respect. Refrain from arguing with and/or interrupting either your opponent or the judge. Poor etiquette could distract the judge from the merit of your claim.

The advantages of Small Claims court are obvious. If your claim is under \$600, you could easily spend that much or more hiring a lawyer to go to bat for you. By representing yourself in the less formal atmosphere of Small Claims court, you may recover your loss completely ~~without incurring attorney fees.~~ Another advantage is that a small claims case may be decided several weeks sooner than in the general division. Finally, for a few fleeting moments, you too can be Perry Mason.

Jeanne Brown
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Family Life Specialist

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