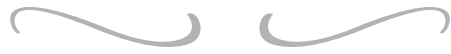


SMART KIDS ★ SMART PARENTS®

12 Money Smart Secrets To Pass on to Your Kids





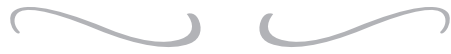
12 Money Smart Secrets To Pass on to Your Kids

By Fran Christie



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ATTITUDE OF GRATITUDE

This is a golden rule for success in life. Period. It is a universal principle much like gravity. You cannot see it but it works. When you understand it you can work with it. A grateful attitude is a positive state of mind and simply attracts more good to you.

Even in the most negative of circumstances you can find ONE good thing to be thankful for and you can “change the atmosphere” of your situation. One good thing can turn into two good things. Two into three, etc. Looking for the good in people and circumstances is a mental discipline until it becomes how you naturally think. Keep the attitude of gratitude growing and your life could change dramatically.



TREAT MONEY WITH RESPECT

The definition of respect is: To feel or show deferential regard for; esteem. A feeling of appreciative, often deferential regard. The state of being regarded with honor or esteem. Willingness to show consideration or appreciation. to show consideration for; treat courteously or kindly.

We have a “relationship” with money just like we have a “relationship” with an individual whether it is a family member, friend, coworker or stranger. Do we respect ourselves enough to want the best for ourselves or do we compromise our morals and standards? If we have been treated with respect growing up we are likely to treat others with respect. Likewise with money. If we were taught the value of money and treated it carefully and thoughtfully then we will succeed with it. If, however we have observed money being used frivolously, or was used to by love or favor, then the pattern is likely to repeat itself.

This is a huge epiphany for some. I believe the best legacy you can leave your family is RESPECT.

HOW YOU SAVE THE SMALL MONEY IS HOW YOU SAVE THE BIG MONEY

Create positive money habits. When your kids see you put the “pocket change” in a money jar or piggy bank, they will follow. When they see you pay the bills, they will follow. When they see you deposit money in a savings account, they will follow. Your money habits influence their money habits.

DELAYED GRATIFICATION

NO means NOT RIGHT NOW. At least that is what your brain will believe. It is a marketing strategy that candy, chips, magazines and other enticing products are all at the checkout counter when purchasing groceries. Advertisers pay big dollars for this location because they KNOW the psychology of impulse purchases. THIS IS A SET UP. Then it becomes a TRAP.

Low priced items on impulse create the HABIT of high priced items on impulse. The cost of a chocolate bar or potato chips seems like a very inexpensive way to keep the kids quiet and get through the lineup. Years later, it becomes the latest expensive gizmo or big screen TV - IN THE MOMENT. You have been wired for impulse purchases and the marketing machine has won.

So saying to yourself or your child NOT RIGHT NOW tells the brain of the potential of buying it in the future. It keeps us satisfied in the moment. By the time we revisit the purchase, the desire is gone. Practice the 1 hour rule. Give yourself 1 hour to THINK about it. Usually after 1 - 24 hours, the desire vanishes. This valuable money habit will pay tenfold in avoided financial stress and money saved for future generations.

HOW YOU SPEND THE SMALL MONEY IS HOW YOU SPEND THE BIG MONEY

This is a continuation of points 3 and 4. This is about keeping the proportion in perspective. I like the 10% rule: If you have \$10 and want to spend \$1 it seems reasonable. When you have \$1,000 then spending \$100 seems reasonable. But when you have \$1,000 and spend \$500 or 50% of your available money on an impulse purchase and your expenses are unpaid then this is not in proportion. So pick out that big screen TV and determine how much you want to spend. If you want to purchase a 49" TV for \$500, you would need to have \$5,000 in your savings account not feel the pinch. Stay focused.

GROW YOUR MONEY BY GROWING YOURSELF

The best investment you can ever make is in yourself—in your health and education. Education continues to convert into multiple returns over time. Going to school to acquire a profession or trade coupled with a good work ethic and financial savvy gets you on the road to \$ucce\$\$.

A formal education is not available to everyone. However, there are many informal educational opportunities available—online, evening courses at a local college, workshops at the local library—that there is no excuse for not being to do personal development.

Many multi-millionaires and billionaires today are self-taught with no college degree. Study personal finance over and above everything else. Some of the most talented, educated, and successful people do not understand personal finance. They entrust their income and finances to others to manage without having a basic understanding of or control of their very own income.

Often times their money is mismanaged and they have to pay more in consequences. I'm referring to everyone from a hardworking laborer, university graduate, entertainer, etc. It is absolutely dangerous to put yourself in a position where you do not have some fundamental knowledge of how to manage your money and be in control of it.

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AVOID CREDIT CARD DEBT

This is financial enemy #1. By keeping only 1-2 credit cards for essentials only and paying off the balance regularly you save HUNDREDS, if not THOUSANDS, of dollars annually. Credit card companies will use bonus points to entice you to sign up but they usually charge high annual fees and interest rates.

Bonus points are fine if you use the card for business but the card has to be paid off immediately. Carrying up to a 29% interest rate on a credit card is outrageous! Check your monthly bill, do the math! Cut them out. Pay them off. Period.

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CASH IS STILL KING

Today the convenience of using mobile apps, debit and credit cards for purchases is becoming more “convenient” but paying with cash is still king for many reasons. When you pay for an item with cash it is a DONE DEAL. It keeps life simple. No extra payments, no extra fees—no thinking about it anymore. NO DEBT. NO STRESS.

You think twice about spending the cash than using card. It's real, intrinsic, and about being master of your money. You get to dictate how much you really spend, and how much something really costs. Sometimes you can negotiate a better price because merchants can avoid the transaction fees at their end. The kids will follow.

TURN LOOSE CHANGE INTO SILVER AND GOLD—LITERALLY

That loose change in the money jar or piggy bank can turn into a nice little treasure chest. Quarters and dimes add up quickly and soon it becomes enough to buy a bright new shiny silver dollar.

Watch the currency rate on the news or the internet and keep track of it—it can become a fun and exciting new way to save money as a family. You will be less inclined to cash in these beautiful shiny coins for something frivolous. When the silver dollars add up, you can trade them in for some gold coins. This is a great way to get the kids/family involved and a great introduction to learning about financial matters.

You will want keep them in a safe place, such as a safety deposit box in your home or in a bank. This is a great way to turn that loose change into real bullion that you can touch and feel. Gold and silver coins really are beautiful. You can purchase these coins directly from the mint in the US at www.usmint.gov. In Canada, go to www.mint.ca.

THE LAW OF ATTRACTION

This isn't about what you want but about who you are. Your character, your actions, your thoughts. Thoughts and actions have a huge impact on who and what is attracted in your life. All the positive thinking in the world about that new car or home doesn't mean a whole lot if you are rude to people and kick the neighbor's cat or dog. We are human and have our moments, but overall it's good to have a checklist of healthy character traits.

Respectfulness *Sincerity*
Truthfulness *Kindness*
Integrity

to name a few.

And, periodically, some spiritual checking in and housecleaning (a.k.a. reflection) is worth the time. Something worth noting: it is a safe assumption that you are who you hang out with. So as it pertains to this conversation about finances it might be worth observing who you spend your valuable time with and look at their lifestyle and money habits. Are they money conscious—do they aspire to the same values as yourself? Do they have a good work ethic, do they have goals and plans for their lives? Are they cheap or generous? Do they keep their word? Do they borrow and pay back? Do they pay their bills? My observation is you can find out a lot about people by how they handle their money and treat others. Just an observation....



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THE LAW OF RECIPROCITY

Reciprocity in social psychology refers to responding to a positive action with another positive action and rewarding kind actions. From a social psychology perspective, reciprocity means that in response to friendly actions, people are frequently much nicer and much more cooperative than those who are only interested in self. In response to negative actions then negative actions occur when the action is precipitated by such.

Therefore, the philosophy is that anything you give out in joy, without conditions, whether it be love, knowledge, money, healing, etc., will always come back. If you give away money with the intention that you are doing it so more money will come back then, no, it probably won't work because there is an agenda attached to it. Conversely, when you give something away—from the soul, in joy, without any concern if it comes back or not, magic happens.

THE 10% FACTOR

You've probably heard of the practice of "paying yourself first" or "giving back", etc. With the 10% factor, I am referring to a concept that goes back to ancient and biblical times called "tithing". The actual definition is quite involved and has quite a historical background, which can be researched online. However, it primarily means giving a tenth of your earnings to a church or religious organization. If you are not a churchgoer or part of a religious organization, it also means giving to a charity of your choice. The philosophy and practice of tithing is quite powerful.

While the concept mostly refers to tithing with money, I believe that we are also "tithing" constantly with the energy of our thoughts. We are constantly sending out to the universe, by virtue of our thoughts, the energy in our heart and soul. So take a look at what is continually coming into your life. It will give you a good indication of what you are "tithing" outwards.

You can also "tithe" with your time. Volunteering with a charitable foundation is just as worthy and valuable as donating money. It is a great way to give as a family for a good cause. Find out how you can give in your own community and guaranteed, you will be appreciated.