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Kim Green-Spangler

Teaching Kids to Mind The Money

The youth of today are often referred to as the "entitlement" generation. This term is used to describe those who feel that they shouldn't have to work as hard as others, that they should be at the top of the food chain—that they should have, do and be everything with as little effort on their part as possible. As parents, it's easy to want to provide children with an easier life, with equal or more opportunities than previous generations have been afforded. However, the question becomes ... can this be done while creating an entire new generation of people with a work ethic similar to those of the past? How does one strike the balance?

At any mall in America, you're bound to see a plethora of Juicy Couture, Uggs, iPhones, iPads, Aero, Abercrombie & Fitch, and American Eagle--and these are the items that can be found on those teenagers shopping at the malls. Compared to any other time in consumer history, brand-name clothing is a must, and it's getting more and more difficult to escape this trap. With the rise of the Internet, social networking and media contact, America's youth is becoming conditioned to getting the latest, greatest and newest gadget, piece of clothing and, let's face it, fad that comes along.

Kids often beg their parents to spend \$100 on a pair of holey, faded jeans; \$300 on the latest tech gadget; or even \$50 (a bargain) for the "must have" electronic game. But what is this trend teaching youth? Closets are overflowing with items they refuse to wear after the fad has come and gone: "Skinny jeans are so yesterday; I need Jeg-gins!" New gadgets replace old ones, turning drawers into electronic graveyards. And things that were considered necessities once upon a time are now just items to collect and discard on a whim.

What about the youths whose parents cannot afford the latest things? To one extreme, these children are often teased and ostracized by their peers for not being "cool"! Or to the other extreme, children scheme to get whatever item they may want by another means, like shoplifting. According to risk prevention statistics, approximately 25 percent of all shoplifting can be attributed to teenagers. Given the economy, teenage shoplifting (like most shoplifting) has increased over the past couple of years. Children/teens typically want what they want, when they want it. This can have huge moral, financial and social ramifications in both the short and long term.

The Moola Monsters Approach

Grant Magers recognized this trend and developed his company Moola Monsters as a

result. Before industrialization, children worked hard to help the family. In those times, if the kids did not work, the family did not eat. According to Mr. Magers, "Children are bred to be consumers from six to seven months old!" (www.moolamonsters.com). Thus, he developed Moola Monsters to help parents teach children how to become more financially aware while they are young.

Magers' current system works for children 4 to 10 years old by matching behavior with economics--which is the proverbial win-win for parents. The cornerstone of this is, how hard are they willing to work for what they want?

Essentially, the Moola Monsters system is based on a money represented Pokemon-like cards (Moola). Parents and kids come up with a point system so kids can earn cards by doing chores, homework and other good behavior. They also lose cards with bad behavior. Because the kids have agreed on the list of bad behavior (and points lost for each incident) they intuitively blame themselves – rather than the parent – when they lose cards. Each card is worth money, for example 50 cents, so kids can save up, cash out and spend what they earn. Parents also need to treat the cards as the kids' money, so the kids get to choose what they spend their money on and parents cannot take the items away like they would a gift. The next time the kids want to buy something at a store, all the parent needs to ask is "Do you have Moola cards?" No more blaming mom when money is short.

Magers used the Moola Monsters system with his own children and found it to be quite effective when used consistently. The system is fun, albeit a little goofy (which adds to the charm), and can help create healthy lifelong skills regarding one's relationship with money.

How You Can Take Control

As parents and as society as a whole, there is much that can be done to stop this disturbing trend. Not only have children bought into the consumer hype of advertising at its finest, but more and more parents are falling in line as well. Does it really cost more money today to make a pair of thinner, holey, faded jeans than it did 20 or 30 years ago? Why pay \$100 for something that may have cost \$40 back then? Here are some tips to taking control of your kids' relationship with money.

Make a stand. Let children know that while you love them, you are not willing to pay exorbitant sums of money for fashion, tech gadgets and so on. Have them scale back from "I want it all!" to a few select pieces of clothing or the latest gadget instead of a brand-new wardrobe.

Get them involved. Have your young consumers get involved in the buying process. Teach them to save for items they want. In many cases, they will find that by the time

they have saved enough, the item is no longer considered “hot”!

Compromise. Instead of paying for an item outright, offer to split the cost with the teen, matching them dollar for dollar. Often, when forced to use their hard-earned cash or savings, children think over their choices more carefully.

Set limits. If the idea of \$50 for a t-shirt causes heart palpitations, tell them that you are willing to pay X amount for the shirt and that they must come up with the difference.

Our recent economic situation has turned the financial picture of many formerly affluent households into chaos. Guiding children and teens toward developing a healthy relationship with finances and consumerism now can help protect them from future financial ruin—not to mention the relief this immediately offers to parental wallets. Just think of the sense of accomplishment your children will feel when they’re eventually able to make their own purchases.

<http://www.doover.com/Kids/ID/289/Teaching-Kids-to-Mind-The-Money.aspx>

www.moolamonsters.com