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Fee-Only Financial and Investment Planning  
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## On Course

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Welcome! As we frequently discuss, money is a difficult subject. And, often times, families face the challenge of managing the finances while trying to raise financially responsible children. You can do it. This month we're giving you tips that should help.

If you want support creating a strong family financial life, remember we're here to help you stay *On Course!*

*Jawfee*

-Jennifer Lane, CFP

### Manage Your Money Well and Help Your Kids Become Financially Responsible Too

Follow these tips to create a strong family financial life. It's never too early to start teaching your kids the basic fundamentals of money.

#### First things first

- As the adults, your behavior and actions set the example and the tone for your children.
- Decide on your goals and create a financial plan.
- Manage your credit and debt responsibly.
- Plan for the unexpected.
- Budget, budget, budget. Use [Mint.com](http://Mint.com) to help.
- Build the habit of monthly money meetings (MMM).
- You can include the kids in MMM when they're old enough to understand. Talk about family matters like vacations, career changes, moves, and college.
- Don't hide things from your kids. If money is tight, let them know things have changed and strategize how you will all move forward.

#### The very young set

- For the concept of investing, talk about working on something now for longer term results, e.g., help them plant seeds today for flowers later.
- Give them a piggy bank that has slots for saving, spending, donating, and investing. [Money Savvy Piggy Bank](#) is a good example.

#### As they get older

- Explain where money comes from -- not from trees and definitely not from ATMs.
- Provide an allowance so that the younger ones can save up for a toy and the teens can learn to stretch the money to cover all their needs, e.g., gas, lunch, movies.
- As you have learned to budget, help them understand not to spend money all at once so that it can cover all their needs.
- Open a savings account so they learn about compound interest and the value of saving.

#### When they can work

- If it makes sense, consider a part-time job.
- Review their pay stub with them to teach them about taxes.
- Have them open a Roth IRA to teach them about saving for retirement. You might even match their contribution.

#### For the young adults

- Help your child get a credit card. Then have him or her pay it off each month. Explain about interest if they don't pay it off and that their limit is not free money.

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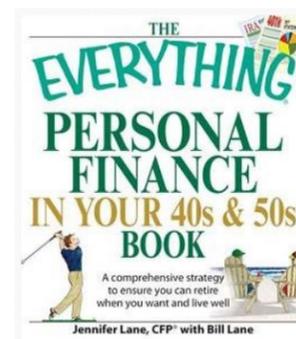


Jennifer's Hint

*Many money attitudes seem to be hardwired from birth. Your children may be natural savers or natural spenders.*

*If your kids are savers, encourage them by teaching them about investing. If your kids are spenders, help them manage a budget -- and resist the urge to bail them out.*

Get more tips in Jennifer's book



[\(click here for link\)](#)

#### Helpful Websites

[AnnualCreditReport.com](http://AnnualCreditReport.com)

[Cost of Raising a Child Calculator](#)

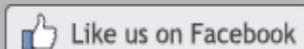
[Mint.com](http://Mint.com)

[Money Savvy Generation](#)

[Money's College Finder](#)

[YouNeedABudget.com](http://YouNeedABudget.com)

- Talk with your kids early in their college search about what you can afford. Explain about student loan options. Be careful about over committing if your child gets into that dream school without aid, and you just can't afford it.



## We're moving from our Newton office to a new location in Wellesley Hills.

We're very pleased to announce the opening of our new office, conveniently located just off the intersection of Routes 9 and 16. This office has easy access and plenty of free parking in front and behind the building.



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## Q&A

**Q: You often talk about having monthly money meetings. What tips do you have for getting started.**  
 -- Joe, Millbury

**A:** Joe, first, remember that you share common goals. If you focus on those goals rather than on personal short-term spending, you will start the meeting off right! For the meeting, prepare a fresh net worth and income and expense statement. Have the investment, bank, and debt statements handy. Review the net worth statement together. Look for areas such as savings, account balances, debt, and investments that may have changed to determine why and whether you need to change what you're doing. Be kind and patient. Meet consistently to form a great habit, and you'll find they will get easier over time. Good luck -- you are setting the foundation for a sound financial life.

## What's New

- Jennifer contributed to *The Wall Street Journal* article "The Biggest Money Mistakes We Make -- Decade by Decade." Click [here](#) to read the article.
- Jennifer recently answered NECN viewer questions about *understanding what's in a prospectus*. Click [here](#) to watch the segment on her blog.
- Follow us on Facebook! Visit [www.facebook.com/AskJennifer](http://www.facebook.com/AskJennifer) and like us!
- Jennifer appears on NECN every other Monday morning at 9:30 am in addition to her Tuesday 7:30 pm appearance.

Compass Planning Associates helps families, individuals, and small-business clients achieve financial security, knowledge, and control over their money. Our **fee-only, client-centered approach** provides education and guidance for achieving financial goals and dreams.

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