



Book\$ Re\$cue *to the*

Teaching Your Children About Money

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Photography Provided by Livewell Capital

Sometimes as a parent, I have absolutely no idea what to say. Anyone else? No, just me?

It's strange — even when it came to money, I didn't have the right words when it came to talking about money with my daughter. Take it from this dad, you are going to lose your four-year old's attention if you say the words "Monte Carlo Simulation." So, without my own words, I have found it very helpful to borrow better words from others, and the following is a quick list of books which can help us as parents begin to guide our kids toward their own experiences learning how to use money effectively. There are only a few simple things we need to impart to our children about money, and the books on this list address them. Well, actually, I've left off taxes. That is a lesson best learned on a first paycheck.

Dolly Parton's Imagination Library

We were sent our first "Moneybunny" book from the Imagination Library. If you are not aware this beautiful service is available to you, allow me to brag about them. Dolly Parton started this organization back in 1996 to give children in her home county in Tennessee one free, age-appropriate book each month. Research has found that a child with 25 books in their home can be expected to finish two additional years of school compared to kids without books in their home. So, why not just put books in the house?

As of last October, the Imagination Library has given away 168,926,241 books. But here's what happened locally when the Imagination Library came to Cincinnati: Children's Hospital began its involvement with the Imagination Library in 2015. Kindergarten readiness data has shown a 15.4% increase in participating children over the average peer. This is a huge impact, and partly why this is now available free to every child in Ohio under the age 5. Just sign them up at imaginationlibrary.com or ohioimaginationlibrary.org. That's right — every child under age 5. For free.

Age 3 - 8

The "Moneybunny" series has been a big hit in our house. An over-zealous bunny rushes toward wants before understanding and counting the cost — in carrots. The bunny's family helps explain what it means to "Earn It, Spend It, Save It, and Give It." All four books in the series are fun, quick reads telling the story of a different bunny and their lesson in money. Sparing both parent and child any direct approach on Keynesian economics, there are plenty of financial virtues to be taught. They even offer some timely advice for anyone currently frustrated with the cost of real estate.

Sonny Bunny: "The bouncy castle costs 100 carrots. That's RIDICULOUS!"

Mom Bunny: "Well, it's not ridiculous if you have 100 carrots and nothing else to spend it on."



Age 8 - [insert your current age here]

Beth Kobliner has written a book for adults, “Make Your Kid a Money Genius (Even if You’re Not.” While the book is very researched based — near and dear to my scientific heart — it is the activities suggested in the book and on Beth’s website that are so valuable. My favorite two activities are “Make your kid a money detective,” which provides a worksheet for the kid to observe the spending in their home. It’s a scary thought, I know. But if anything, it gives me a chance to explain why the motorcycle in my garage is both a want and a need.

The other activity uses gardening — a “money gardener” — as a metaphor for diversifying when we invest. The author even includes a dad joke for us. “Where do chickens keep their seed money? In a pecking account.”

Teens - College Graduation

I believe there is a 10-year period from roughly age 15 to 25 which defines a lot of what might happen in the rest of our lives. We begin dating, driving, and making decisions which determine much of what the future holds. From a financial standpoint, if you can make it through this decade without an insurmountable mountain of debt, then life is easier, financially speaking.

It is ironic that at this young age, when the realities of tax-paying citizenry are unknowable to us, we are asked to spend roughly \$100,000 to \$200,000 of our family’s money on an education. I want to be clear about my choice of words in the previous sentence: money spent on education is a family affair. The money for education may flow from parent to child if the resources are there. If the resources



are not there and a large amount of debt is incurred for education, the debt burden impacts the ability of the child to save for their children when the time comes. It is a huge win for any generation to simply help their child choose a good major and school for them.

So, if a good major at a good school for your child is your goal, Dr. Katharine Brooks from Vanderbilt is the approachable expert. She has written two books that cover a lot of the same content. Her early and excellent book titled “You Majored in What?” has basically been updated with the “What Color is Your Parachute” approach from the book “What Color is Your Parachute? For College.” What I appreciate about Dr. Brooks’ work is that the conversation covers the gambit from the would-be-student’s interests to picking schools to a future resume and making connections along the way.

I also love that this book encourages writing in the book. Please encourage your teenagers to write in their books ... just not library books.

Post-College

Here I would recommend Oliver Burkeman’s new book, “4,000 Weeks.” Yes, we need to teach future generations how to handle money, but money isn’t everything. Burkeman argues from the shoulders of philosophers that life is painfully short and our relationship with time is more important than it is to money. He posits life is best enjoyed within the moment at hand. He never endorses abandoning the future or planning for a better one, he merely suggests an approach to living within the limitations of today.

Forget the book! Give me 10 minutes of Saturday Night Live

If you’re short on time and want a quick dose of sarcasm to educate, type “Saturday Night Live Money Skit” into Google. You will most likely get these top two results: “Don’t Buy Stuff You Can’t Afford,” a classic from the Great Recession featuring Steve Martin. Everyone can and should watch this skit. And — this one should come with a parental warning — “Where’d Your Money Go?” a parody on professional athletes in a Jeopardy game show covering different money situations. “Buy a cheetah? The answer is always No!” Again, parental warning on this one.

I close with the following advice from Cinders McLeod, the author of the “Moneybunny” series: “... curl up with your child and read together. Enjoy ... don’t try to [teach] everything each time you read it. Most of all, have fun and enjoy sharing the story with your child.” In the end, we each have a story around money, and a child’s own money story is inextricably linked to their parents. We should be sharing and enjoying our stories together. ❖

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