

# Kids make cents of saving

## Basic fiscal class pays off for students

By **CARLEY THORNELL**

Kayla Cunha got into the habit of saving in her piggy bank. Her pal Karlina Chhor also liked to amass the coins she got for doing chores, making a donation to the Walk for Hunger on her own accord.

Both third-graders at S. Christa McAuliffe Elementary School in Lowell are living the lessons they learned in a recent pilot program, Money Savvy Kids.

"She learned really big vocabulary words, like stockbroker," said Karlina's mom, Thao Thach. "Some words even adults don't know about. She came home excited about school."

The concept, initiated by financial planner Steve Hartel, who ran the eight weekly one-hour lessons, culminated in a "press conference" with parents. The third-graders talked about what they learned and asked their families about their relationship with money.

"When kids are really young they might say, 'Gosh, we live in a nice house, how much does it cost?' Or 'Mom, how much money do you make?' These are all taboo subjects," Hartel said. "After a kid gets told 'That's private' a handful of times, they figure they're not supposed to know. I deal with a vast majority of adults who don't understand concepts like budgeting themselves."

Visual aids such as piggy banks were a big draw for the 8- and 9-year-olds, especially the banks used in Lowell — with four slots categorized as spend, save, invest and donate. All four concepts were explained in class using kid-friendly examples such as spending immediately on candy bars, saving for bigger-ticket items such as iPods, investing for college and contributing to Haiti.

Hartel used a plain old bowl of pennies to demonstrate an ATM. After five of 13 students used simulated ATM cards to withdraw handfuls of coins, there was

no money left for the others. "It was like a light bulb went off," Hartel said. "It's not just a magic machine



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where you can ask your mom to stick her card in and get more money if you want something."

Hartel also recommends:

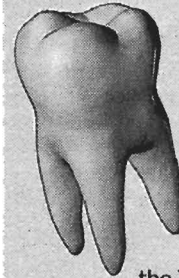
■ Giving kids an allowance — especially if it involves earning money by completing chores. It's what Thach does, and she takes the concept a bit further with Karlina. "When she goes to the store, she has to use her own money if she wants to buy something," her mom said. "And if she doesn't have

enough, she can borrow it, but has to pay it back, kind of like a bank."

■ Give children the cash to purchase the box of cereal you'll be buying at the store anyway, said Hartel. "Explain to them that this is their job and \$3 is their budget, and they have to read the price and get the right change. You're teaching your kid it's never too early to talk about these things."

■ Children ask for help with homework, so why shouldn't adults? "A lot of people are embarrassed and think they don't know enough about money or don't have enough to ask for help managing it," Hartel said. "It's simply the same thing as a doctor or a lawyer or a plumber — somebody with a professional skill that you don't have."

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### Allowance, tooth fairy: The rites of childhood

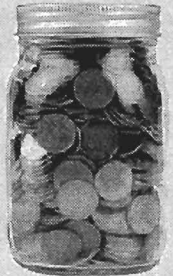
Ninety-four percent of children 10 and younger get a visit from the cupid collector, receiving an average of \$3 per tooth, a recent Visa Inc. survey finds. Other findings:

- Fathers who coordinate with the Tooth Fairy typically leave more cash.
- Parents in the East (\$3.40) and South (\$3.30) tend to leave more money than parents in the Midwest (\$2.90) and West (\$2.70).

Seventy-one percent of children ages 6 to 16 understand we are in a recession, according to a recent American Express Spending and Saving Tracker, which surveyed 506 households online in January.

■ More than half of parents surveyed give their kids an allowance of at least \$12 a week; 23 percent of parents say kids can spend it as they please and 32 percent use it as reward for household chores or good grades.

■ 10 percent of parents give kids allowance to pay for essentials such as lunch money and gas.



**DOLLAR SCHOLARS:** Steve Hartel of Trilogy Financial Services, center, recently led a Money Savvy Kids program at McAuliffe Elementary School in Lowell, where kids used banks with four different saving slots.

STAFF PHOTO BY PATRICK WHITEMORE