

Parents' Lesson 1: Planning to Succeed Financially

Objectives

- In Lesson 1, parents will learn:
 - The importance of their role in teaching children about money
 - Ways to incorporate lessons about money in daily living activities
 - The importance of keeping family records
 - Ways to organize and manage family records

Lesson Outline

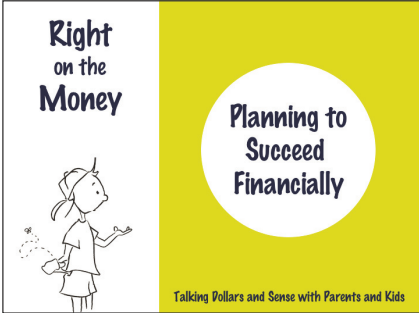
- This lesson will take a total of 60 minutes. Below is an outline of the major topics that are covered and a suggested amount of time to spend on each. To help you get through all of the material in the time allotted, write the estimated start time for each section in the left column and in the leader's notes.


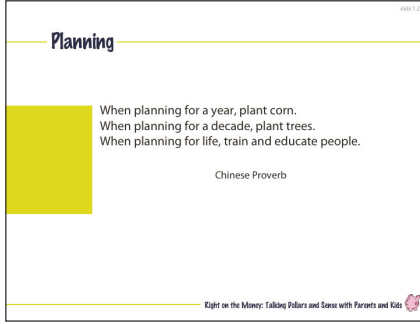
Start Time	Section	Time Allotted
Transition and Introduction		5 minutes
	Introduction and Acknowledgements	
	Planning – The Focus of the Sessions	
	Session Topics	
Family Focus - Teaching Kids about Money		10 minutes
	Kids and Money	
	Your Child's First Teacher	
Organizing and Keeping Records		30 minutes
	Importance of Keeping Family Records	
	Location of Family Records	

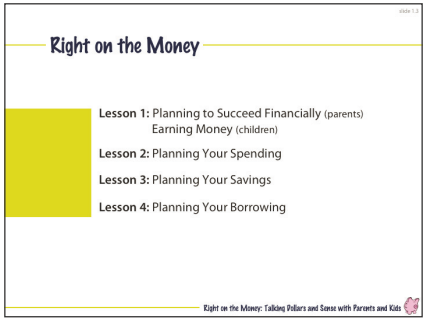
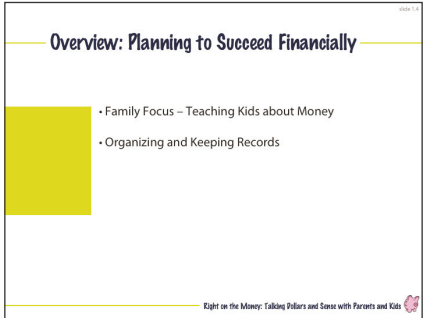
Start Time	Section	Time Allotted
Organizing and Keeping Records		30 minutes
	Common Filing Systems	
	How Long to Keep Family Records	
Parents' Challenge		5 minutes
	Record Keeping	
	Conversation Starters	
	Everyday Ways	
Wrap Up		Time Remaining
	Session Evaluation	
	Quote from Mary L. Sprouse	
	Preview Next Session	
	Closing and Dismissal to Pick Up Children	


Presentation and Leader's Notes

- The following is a step-by-step guide to Lesson 1, complete with snapshots of the various slides/visuals and handouts to be used. Familiarize yourself with the notes and the content in advance, but do not feel that you have to read the scripts verbatim. They are intended to guide instruction but not replace your good judgment as a presenter/teacher.
- Keep in mind throughout the program that individuals and groups have different experiences and values when it comes to money. Some people may want to share a lot of personal information while others may not want to divulge anything. Respect these points of view and monitor the group to be sure that you are meeting their needs. Also, be careful not to impose your own values upon the participants.
- Note: Presentation slides are provided on the enclosed disk and are available online at www.moneysbestfriend.com. The notes below reference the slide numbers and point out when to "click" to the next slide. If a laptop and projector are not available, overheads of the slides work just as well. You may also want to note the actual time in the margin (e.g., 7:15) where you hope to be at certain points during the lesson. This will help you to monitor your progress and adjust as necessary.

Transition and Introduction	Time: 5 minutes
<p>Parents gather for the parents' lesson.</p> <p>Distribute folders with handouts and copies of the presentation (optional).</p> <p>Show Slide 1.1 and explain</p> <p>This four-session program was developed by Penn State Cooperative Extension and the Pennsylvania Office of Financial Education to introduce children to key financial concepts and provide parents with tools and information to both reinforce their own financial knowledge and help them positively influence their children's future money management skills. The Heinz Endowments, a foundation based in Pittsburgh, provided funding for the project.</p>	 <p style="text-align: right;"><i>home slide</i></p>

<p>Transition and Introduction</p> <p>Here in our local community, the following organizations have supported the program's delivery:</p> <ul style="list-style-type: none"> <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____ <p>Click to Slide 1.2</p>	 <p>slide 1.1</p>
<p>Showing Slide 1.2, explain</p> <p>Here's an old Chinese proverb that summarizes the approach we'll be taking to money management today and in the next three sessions.</p> <p>It's all about planning. Something you all have experience with—whether day-to-day planning such as getting ready for a trip to the grocery store or on a larger scale like planning a vacation or a wedding.</p> <p>Our focus on planning is related to how we handle money and more important, how to teach our children about money matters so they can build a solid foundation for managing money responsibly.</p> <p>Your children are at a perfect point in their lives to start these crucial lessons. They are open to learning new things and are curious about the world around them. What better time than now to teach them concepts and habits related to managing money?</p> <p>Click to Slide 1.3</p>	 <p>slide 1.2</p>

Transition and Introduction	
<p>Showing Slide 1.3, explain</p> <p>Built on the foundation of planning, each session will focus on topics that you probably have some knowledge and/or experience with. We hope that you will find confirmation of what you already know and new information that you can easily incorporate into your situation.</p> <p>In general, the sessions will have you and your children covering the same topics, i.e., spending, saving and borrowing.</p> <p>Click to Slide 1.4</p>	 <p style="text-align: right;"><i>slide 1.3</i></p>
<p>Showing Slide 1.4, explain</p> <p>However, today is a little different. As the children are learning about earning money, we will be focusing on teaching kids about money and good financial record keeping. Before I go any further, are there any questions about the program itself?</p> <p style="text-align: center;"><i>(Allow parents to ask questions.)</i></p> <p>Now, we do have limited time today, and I know that it is really easy to go down side roads that will take us off topic. So, I'll be counting on each of you to help us stay focused on the topic.</p> <p>Click to Slide 1.5</p>	 <p style="text-align: right;"><i>slide 1.4</i></p>

Family Focus - Teaching Kids about Money	Time: 10 minutes
<p>Showing Slide 1.5, ask parents the following questions, pausing to get responses from one or two people after each:</p> <ul style="list-style-type: none"> • Where did you learn to manage money? • Do you hope your children will manage money the same the way you do, or would you prefer they do some things differently? Like what? • What role do you think that you, as parents, can play in shaping your child's knowledge, skills, and attitudes about money? <p>Explain</p> <p>Recent surveys shed an interesting light on parents, kids, and money. For example:</p> <ul style="list-style-type: none"> • Only 32% of American parents talk to their children regularly about finances. • Among parents with children 5 or older, only 26% feel well prepared to teach their kids about basic personal finances, and less than half feel they are a good role model for their children regarding saving and spending. • Fifty-three percent of parents agree that their child thinks "money grows on trees." <p>(For more or updated statistics, visit the News section of www.moneysbestfriend.com.)</p> <p>Click to Slide 1.6</p>	<div data-bbox="992 522 1409 835" style="border: 1px solid black; padding: 10px; text-align: center;">  <p>Parents, Kids, and Money</p> </div> <p style="text-align: right;"><i>slide 1.5</i></p>

Family Focus - Teaching Kids about Money

Showing Slide 1.6, explain

As parents we indirectly teach our children about money in many ways. An obvious one is how it is handled (spent freely, saved for a rainy day, etc.). One not so obvious way is how we talk (or don't talk) about money with our kids.

As parents, we teach our children by what we *say and do*.

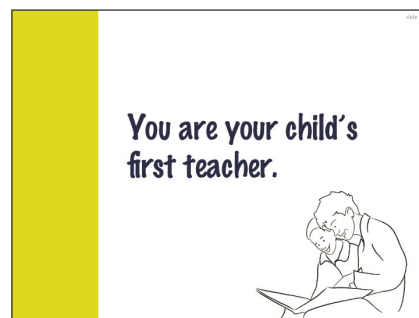
It is also important to note that when we talk about money, it should be in a positive and constructive way. A constant focus on not having enough money or speaking about money in only negative terms can have a lasting harmful effect.

There are many "teachable moments" as our children grow. It is easier to shape their knowledge, skills, and attitudes if we start early.

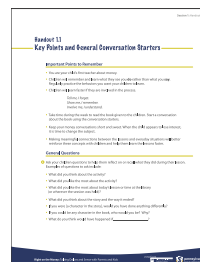
Refer to Handouts 1.1-1.4 in the parents' folders:
Here are some conversation starters and activities that you can use with your child when you get home.

Are there any questions before we continue on to our next topic?

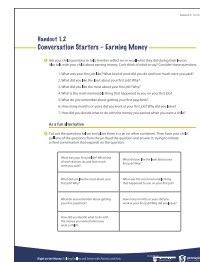
Click to Slide 1.7



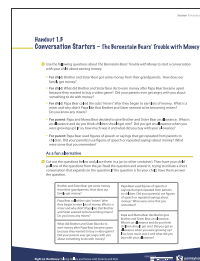
slide 1.6



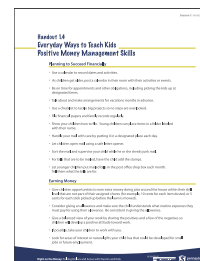
handout 1.1




handout 1.2

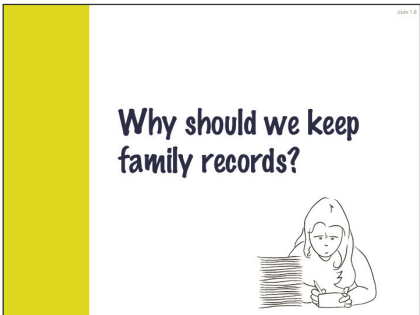




handout 1.3

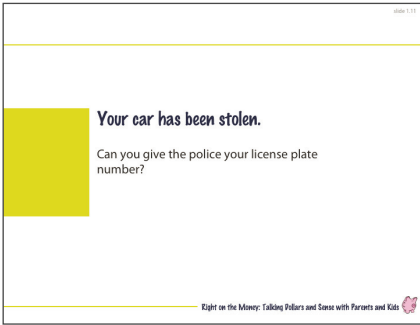



handout 1.4

Organizing and Keeping Records	Time: 30 minutes
<p>Showing Slide 1.7, ask parents to fill in the blank as you read the statement.</p> <p>“Actions speak louder than _____.”</p> <p>Words—right.</p> <p>What your kids see will always speak loudest.</p> <p>Ask</p> <p>What are some specific things your children see you do when it comes to money? For example, do you spend it freely, clip coupons, make regular savings deposits, use credit/debit cards, etc.?</p> <p><i>(Allow time for several responses.)</i></p> <p>Explain</p> <p>Right—they see us do lots of things. Some we think about and others we don’t. One big thing they see—and we don’t often think about—is how we treat our family records.</p> <p>Ask</p> <p>Where do you keep your financial records and important family documents?</p> <p><i>(Allow time for several responses.)</i></p> <p>Now, think about how or where we keep our records and what it says to our children and others? For example, when we toss out an ATM receipt without reading it, what does that say?</p> <p>Explain</p> <p>In the coming sessions, we’ll talk about some key areas of our financial lives (spending, saving and credit). Some of these will not be so easy to adopt or improve, but today we will focus on something relatively easy, perhaps a bit time-consuming at first.</p>	 <p style="text-align: right;"><i>slide 1.7</i></p>

Organizing and Keeping Records	
<p>Click to Slide 1.8</p>	
<p>Showing Slide 1.8, ask parents to give some advantages or reasons why we should keep family records.</p> <p>Write responses on a flip chart or board (chalk or dry-erase).</p> <p>Click to Slide 1.9</p>	 <p>slide 1.8</p>
<p>Showing Slide 1.9, restate the responses and explain any of the following that were not mentioned by the parents.</p> <p>Proof Records provide proof that you paid bills, own property, or of your position in important legal situations such as divorce, law suits, estate settlements, tax audits, etc.</p> <p>Protection against Loss Records are necessary in making a claim if there is a home fire or theft, as well as in fraud and identity theft situations.</p> <p>Money Management Good financial records make locating and using information faster and easier. For example, having W-2 statements, 1099 forms and receipts for deductions all in one place saves time in preparing your federal and state income taxes. Also, good records of family spending habits can help you redirect spending to areas that will help your family reach its goals. We will talk more about financial goals next time.</p>	 <p>slide 1.9</p>

Organizing and Keeping Records	
<p><u>Reduces Stress</u> Ask parents to raise their hands if they have looked for the same item repeatedly (e.g., car keys or child's immunization records). How did you feel while looking for the item? How did you feel after finding the item?</p> <p><u>Other Reasons</u></p> <ul style="list-style-type: none"> - Provides easy access to records needed in case of emergencies, i.e., accidents, illness, or death. - Aids in the determination of insurance needs, planning for retirement, and preparation of wills. <p>Click to Slide 1.10</p>	
<p>Showing Slide 1.10, ask the parents to think again about where they have their key family records.</p> <p>Pause for a minute, then continue</p> <p>Ask yourself, "Do I know where key records are? If I had to get them quickly, could I go directly to the place where they are located?"</p> <p>Are they:</p> <ul style="list-style-type: none"> • Scattered on a table? • In a desk drawer? • Stored in a cardboard box? • In a fireproof safe or safe deposit box at a bank? <p>Let's look at three common situations that could happen to you.</p> <p>Click to Slide 1.11</p>	<div data-bbox="992 1045 1409 1356" style="border: 1px solid black; padding: 10px;"> <p style="text-align: right; font-size: small;">slide 1.10</p> <p style="text-align: center;">Where are your family records?</p>  </div> <p style="text-align: right;"><i>slide 1.10</i></p>

Organizing and Keeping Records	
<p>Showing Slide 1.11, read the scenario and ask for one or two people to respond.</p> <p>Explain</p> <p>If you don't know your license plate number, try to memorize it by the next class session.</p> <p>Also, keep a copy of the following items at home:</p> <ul style="list-style-type: none"> • Insurance identification card • Registration card • Vehicle identification number (VIN) • Year/make of the automobile <p>Click to Slide 1.12</p>	 <p style="text-align: right;"><i>slide 1.11</i></p>
<p>Showing Slide 1.12, read the scenario and ask for one or two people to respond.</p> <p>Explain</p> <p>You have a greater chance of getting the full value of your home's contents if you can provide documentation of what was there before the fire and the cost of the items when purchased. It saves a lot of time if you have an inventory and pictures of the house contents. Pictures of antiques, electronic equipment, and jewelry, coin or stamp collections are some examples.</p> <p>Click to Slide 1.13</p>	 <p style="text-align: right;"><i>slide 1.12</i></p>

Organizing and Keeping Records

Showing Slide 1.13, **read** the scenario and **ask** for one or two people to respond.

Explain

A quick way to get a record of your wallet or purse contents is to copy the items (front and back) using a regular photo copier.

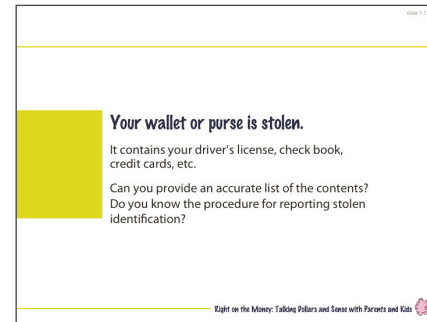
The key steps to follow if your wallet is stolen are:

- File a report with the police immediately and keep a copy of the report.
- Cancel credit, debit, and ATM cards immediately. Alert the bank's fraud department.
- Contact the three major credit reporting agencies and place a fraud alert on your credit file. (See **Handout 1.7: Home Filing System Organizers, Credit/Loans**)
- Report a missing driver's license to PennDOT by calling the toll-free number listed in the phone book or on the copy of your driver's license.

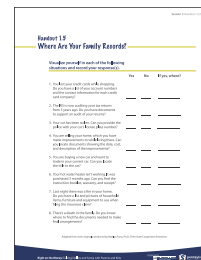
Refer parents to **Handout 1.5: Where Are Your Family Records?**

Suggest to parents that, after the session, they should read and answer each scenario. **Refer** parents to **Guidelines for Handout 1.5** for a detailed explanation of each scenario.

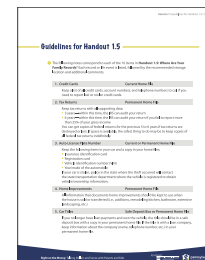
Click to Slide 1.14



slide 1.13



handout 1.5


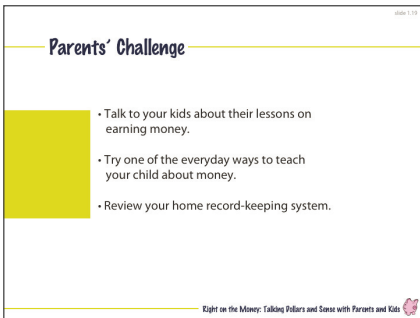


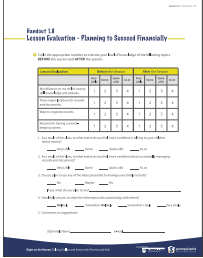

Guidelines for handout 1.5

Organizing and Keeping Records	
<p>Showing Slide 1.14, explain</p> <p>We keep our records in a variety of places and that is a good thing. For example:</p> <ul style="list-style-type: none"> • Driver's license in our wallets or purses • Utility bill receipts in some kind of home filing system, i.e., a file cabinet • Birth certificates in a bank safe deposit box <p>The best place to keep a record depends upon its type, importance and how often it is needed. Generally, the more difficult the document is to replace, or if it shows ownership or can prove your identity, the safer or the more secure the storage location should be.</p> <p>Now let's take a closer look at filing systems.</p> <p>Click to Slide 1.15</p>	<p>slide 1.14</p> <p>What Is the Best Place to Keep Your Records?</p> <ul style="list-style-type: none"> • Wallet or purse • Home filing system • Safe deposit box or fire proof safe <p>Right on the Money: Talking Dollars and Sense with Parents and Kids</p> <p style="text-align: right;"><i>slide 1.14</i></p>
<p>Showing Slide 1.15, demonstrate and discuss</p> <p>one or two of the common filing systems you have prepared.</p> <p><u>Accordion Folder</u></p> <p>These are inexpensive and easy to find at local discount stores. Some accordion folders come pre-labeled, but if the categories do not fit your family's needs, simply cover them with new labels that you create on your own. This system may work for a single individual or a family that has very few records to maintain.</p> <p><u>Cardboard Box</u></p> <p>You can buy cardboard boxes designed to store files at discount and office supply stores. While these are okay for files that you will need to access once or twice a year, they are not the best option for long-term storage that will be used frequently. Also, if</p>	<p>slide 1.15</p> <p>3 Common Home Filing Systems</p> <ul style="list-style-type: none"> • Accordion folder • Storage box or cardboard box • Filing box or cabinet <p>Right on the Money: Talking Dollars and Sense with Parents and Kids</p> <p style="text-align: right;"><i>slide 1.15</i></p>

Organizing and Keeping Records	
<p>you are storing these in a basement or area subject to moisture, make sure they are raised from the floor, such as on a table or shelving unit.</p> <p>Filing Box These boxes can be metal or plastic and have handles for portability. These are the more durable and will maintain their shape through repeated and heavy use. Filing boxes are most useful for families with a fair amount of records or those that need expandable space.</p> <p>Filing Cabinet Metal cabinets are durable and allow for expansion of files. You can store a lot of records in a two- or four-drawer filing cabinet.</p> <p>Click to Slide 1.16</p>	
<p>Showing Slide 1.16, refer to Handout 1.6: A Sample Home Filing System and explain</p> <p>There are many choices when organizing your home files. Getting everything organized is often the biggest challenge. This handout provides lots of tips and tools that can help you whether you are just starting a system or looking to improve yours. Let's look at what it contains.</p> <p>Here is an example of how one family organizes their files.</p> <p>This particular system uses a list of broad categories with corresponding sub-files.</p> <p>This family is comfortable with a more detailed system. Your family may not need, or want, such detail. For example, you may choose to combine all utility bills into a single file.</p>	<div data-bbox="987 1184 1409 1507"> <p>Organizing Your Home Filing System</p> <ul style="list-style-type: none"> • Auto/Vehicle • Banking • Child Care • Contacts • Credit/Loans • Death/Funeral Arrangements • Emergency Contacts • Employment • Household Inventory • Insurance • Retirement • Taxes • Utilities <p><small>Right on the Money: Talking Dollars and Sense with Parents and Kids</small></p> </div> <p style="text-align: right;"><i>slide 1.16</i></p> <div data-bbox="1101 1604 1302 1864"> <p>Handout 1.6 A Sample Home Filing System</p> <p><small>Right on the Money: Talking Dollars and Sense with Parents and Kids</small></p> </div> <p style="text-align: center;"><i>handout 1.6</i></p>

Organizing and Keeping Records	
<p>However you decide to organize your family records, whether it is a variation of the broad categories with detailed sub-files, a simple alphabetical list of files or one you create, remember two rules of thumb:</p> <ol style="list-style-type: none"> 1. Keep the system simple enough to serve your needs. 2. Make sure another family member understands where the records are kept and how to use the system. <p>Click to Slide 1.17</p>	
<p>Showing Slide 1.17, explain</p> <p>How long should you keep your records? That depends on the type of records they are. Some records may only be needed for 30 days and others should be kept for several years.</p> <p>Refer to Handout 1.7: Home Filing System Organizers. A suggested time to keep files is listed for each organizer's category of records.</p> <p>Explain</p> <p>Remember that these are just general guidelines that work for most situations. If you have a special circumstance, you may need to keep records longer than the general recommendation.</p> <p>For example, it is recommended that you keep tax returns for at least six years. If you are more cautious or may need specific tax return information at some point in the future, you may need to keep your tax returns indefinitely or until the information is no longer needed.</p> <p>Click to Slide 1.18</p>	<div data-bbox="992 1010 1409 1323"> <p>How long should you keep your records?</p> <p>slide 1.17</p> </div> <div data-bbox="1096 1381 1304 1650"> <p>handout 1.7</p> </div>

<p>Organizing and Keeping Records</p>	
<p>Showing Slide 1.18, explain</p> <p>You may be asking yourself, “What does a carton of milk and keeping family records have in common?”</p> <p>When we buy milk, we intend to use it up. However, sometimes the milk stays in the refrigerator longer than we expected. In those cases, we can use the expiration date on the jug to help us make a decision about the milk’s fate. If it is only one or two days past the expiration date, we might test the milk to see if it is still good. If the date is 7-10 days past the date, most likely we will pitch it.</p> <p>We can use the “discard date principle” when filing important family papers. An easy way to do it is to simply write a discard date on the file label. That way, when it is time to clean the files, all you need to do is check the date. If it has passed, simply shred its contents and toss! You don’t have to spend time reading information before deciding to keep or shred it.</p> <p>Click to Slide 1.19</p>	 <p style="text-align: right;"><i>slide 1.18</i></p>
<p>Parents' Challenge</p>	<p>Time: 5 minutes</p>
<p>Showing Slide 1.19, explain</p> <p>Whew! Our time is almost up. Before we end, I'd like to explain the “Parents' Challenge”. At the end of each session, you will be given a challenge that is designed to reinforce the topic we covered and to help you engage your children in conversations about money. The next time we meet, please come prepared to share with your group what you did!!</p>	 <p style="text-align: right;"><i>slide 1.19</i></p>

Parent's Challenge	
<p>This session's challenge:</p> <ul style="list-style-type: none"> • Have at least one conversation with your child about money. Refer to Handouts 1.1, 1.2 and 1.3, which give guidance and conversation starters. • Using Handout 1.4, try at least one of the everyday ways to teach your child about money. • Review your current record keeping system and take at least one action regarding your records. <p>Click to Slide 1.20</p>	
Wrap Up	Time Remaining
<p>Ask the parents to complete the session evaluation (Refer to Handout 1.8).</p> <p><i>(Allow enough time for parents to complete the evaluation.)</i></p> <p>Showing Slide 1.20, explain</p> <p>To wrap up our session, I'd like to share a quote with you from Mary Sprouse, who is a tax attorney and author.</p> <p>Read quote.</p> <p>Click to Slide 1.21</p>	 <p><i>handout 1.8</i></p>  <p><i>slide 1.20</i></p>

Wrap Up

Showing Slide 1.21, explain

Now, I don't think anyone in this room likes the idea of their money blowing away in the wind! However, this is a great opportunity to stop and think about steps that you can take to better manage your money. Hopefully, the topics we discussed today will help start that process for you and your family.

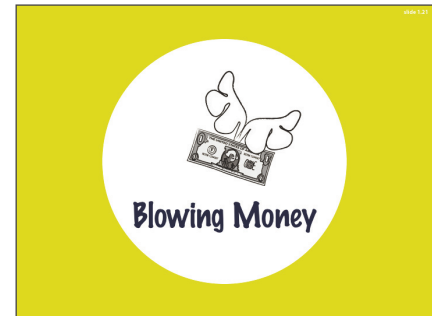
Next time our focus will be on planning your spending.

Conclusion

Thank you for attending today's session. I look forward to seeing you next time on _____ at _____ and hearing about your experiences!

(date) *(time)*

Please leave the evaluations before you proceed to pick up your child(ren) from the other room.



slide 1.21