



In support of **The Improving Financial Awareness & Financial Literacy Movement** built around the strategic venues celebrating

- April as Financial Literacy Month
- October as Estate & Gift Planning Awareness Month

This feature column contains some very important messages

## Exposing Kids to Personal Finances

In support of the Improving Financial Awareness & Financial Literacy Movement built around celebrating April as Financial Literacy Month and six months later October as Estate & Gift Planning Awareness Month the following financial planning article contains a very important message.

It is very important for us parents, to introduce and expose our children to sound principles of personal money management. With our growing media-enriched environment, we are constantly exposed to hundreds and thousands of marketing suggestions on how to spend money, whether we have it or not.

The earlier kids learn about how to earn income and manage money, the better their chances are for financial success. Today, few schools provide classes on how to earn, save, invest, buy, borrow and be an entrepreneur, and financially plan for their futures. This clearly leaves the responsibility with parents and family, or our children will enter the real world quite vulnerable.

We have developed a six-stage program for educating children about sound money management. The ages used are approximations and may vary depending on the child's maturity and what they may have already been introduced to.

### STAGE 1: GETTING STARTED

(BIRTH TO AGE 5)

Set up savings accounts in your children's names soon after they are born. Give them a piggy bank as well, and encourage them to put loose coins into it. When the piggy bank is full, count out the money with them. Then, take them to a bank, credit union or brokerage firm and deposit the coins into their account.

Begin talking to your children about money and purchasing. When you go to the marketplace or store, show them

### TODAY'S THOUGHT

*"I do not work for the money.  
I work for the freedom."*

~ Parenting Team



### The FINANCIAL AWARENESS Foundation

A 501(c)(3) Nonprofit Organization Dedicated to Significantly  
**Improving Financial Awareness & Financial Literacy...**<sup>™</sup>

how you trade money for merchandise. As your children begin to grasp these concepts, encourage them to make some financial decisions for their own purchases, such as what food, clothing, toys and sweets to buy.

Also, set up an educational savings fund and encourage grandparents and family to assist. The cost of a quality education has soared in recent years. If it continues to increase at the same rate, higher education will be available only for those who plan ahead with the entire family unit.



## STAGE 2: FIRST INCOME

(AGES 5 TO 8)

Begin giving your children a regular allowance. Depending on your economic situation start with a modest allowance – \$1 to \$5 USD, (GH¢ 0.50 to GH¢1)) – on a weekly basis and increase it over time. Discuss the options for their allowance: saving vs. buying things vs. giving. Do not take their allowance away as a punishment, and do not link it to household chores. Allowance should serve as a money-orientation aid rather than a behavior manipulation tool.



## STAGE 3: FIRST BUSINESS OPPORTUNITY

(AGES 8 TO 11)

Give your children opportunities to earn more money. If you are a small-business owner, allow them to do work for you to earn money. Also, a lot can be said for the entrepreneurship of the front-yard Ice Cream stand, lawn mowing, or an online business such as an eBay business; this can be fun and profitable for the entire family.

Encourage them to play money games such as monopoly, the game of life, monopoly junior, cash flow 101 and pay day among others that involve the buying and selling of items. Discuss how you assess the alternatives: Why would you pay this amount of money for this item? Is it a necessity? Is it better to save? Is there a better way of buying it?

## STAGE 4: FIRST BUDGET

(AGES 11 TO 14)

At this age, children can begin learning to budget their own needs. Talk to them about a food and clothing allowance and saving for future cash needs like a new iPod, a computer, a bike, college, a car, home, among others. Teach them to begin defining their goals, organizing their finances, and developing strategies to reach those goals.

As taxes are unavoidable, discuss taxation with your children, and walk them through the process of filing tax returns.

Consider giving them holiday and birthday gifts of stock or mutual fund shares. This provides an opportunity to expose your children to the stock market, bonds, Certificate of Deposits, Treasury bills, among others. Take them on a field trip to visit your financial advisers – the accountant, attorney, insurance agent, financial planner *and* *stockbroker*.



## STAGE 5: GETTING READY FOR THE REAL WORLD

(AGES 14 TO 17)

Encourage your children to get an after-school or summer job so they better understand how money is earned and what to do with it. Have them open a checking account for their earnings and teach them to balance it. Since they are earning their own money, ask them to start paying some of their own expenses for social outings and personal expenditures.



With their new earnings encourage them, and if needed with other family members support, to set up and begin to fully fund their retirement saving account.

If they are headed for college, help them contact the schools they are considering to investigate expenses and scholarship opportunities. Now is also the time to begin exposing them to career opportunities with different earning potentials.

At this age, it is also important to help children start setting long-range objectives: the type of job they might desire (this is important to help match how they enjoy spending their time and the earning potential with that type of work), the amount of money they would like to earn, and the kind of house they would like to live in. These discussions help them understand that their first jobs and their first house will probably not be like Mom and Dad's. However, through good work, planning and sound money management, they can reach their goals over time.

## STAGE 6: ENTERING THE OUTSIDE WORLD

(AGE 17 & BEYOND)

Continue to help your children with career counseling. Make sure they have a clear understanding of the choices available to them. This information should come from real-life experiences or reliable sources a parent's personal experiences are important to be shared; television programs and movies often give a distorted view of life and various employment situations.



After they leave home or graduate from college, work with your children to develop their annual household budgets. Help them establish credit by getting a family credit card or other forms of digital currency. Discuss the importance of not abusing their credit or tools, such as when they should pay it off versus when they should not.

Work with them on their major expenditures—computers, phones, cars, furnishings and dwellings. Do not let them get into deep debt; help them to live within their means.

Introduce them to estate and gift planning and help them to put together their first set of documents. This usually will include a will, power of attorney for asset management, and a power of attorney for healthcare sometimes known as an Advance Healthcare Directive.

Share with them The FA Life Long Learning Symbol, and share them a free copy of the TFAF—Personal Finance Publication Set.



<https://home.thefinancialawarenessfoundation.org/publications.html>

<https://thefamovement.org/personal-finance-knowledges/#gift-of-personal-finance-knowledge>

## The Improving Financial Awareness & Financial Literacy Movement™

Dedicated to Significantly *Improving* financial awareness & financial literacy™

Page 3



By following these suggestions and incorporating your own real-world experiences, you can give your children a very valuable gift – a true head start on ‘smart money management.’

Share this information with your friends. If their kids are older, suggest they move through the stages more quickly.



**Stay safe and healthy – there is lots of work to do and fun to be had!!!!**

**Wishing you all the very best,**

**TFAF & All the TFAF Ambassadors**

**For additional information visit us at**

***Visit The Financial Awareness Foundation’s website to learn more about personal finances and The Improving Financial Awareness & Financial Literacy Movement.***

TFAF website:

[www.TheFinancialAwarenessFoundation.org](http://www.TheFinancialAwarenessFoundation.org)



TFAF Education Website (under construction):

<https://thefamovement.org/>

## CHECKLIST FOR INTRODUCING FINANCES TO CHILDREN

- 1. Get started with piggy banks and saving accounts
- 2. Give them an allowance
- 3. Expose them to their first business opportunity
- 4. Help them establish a spending plan and budget
- 5. Get your children ready for real-world financial experiences
- 6. Help them enter the real world with sound smart money management system and financial planning life skills.

---

**The Improving Financial Awareness & Financial Literacy Movement™**

Dedicated to Significantly *Improving financial awareness & financial literacy™*

Page 4



# The Financial Awareness Foundation (TFAF)

TFAF is a 501(c)(3) USA-based nonprofit organization established in 2013. Its mission is to significantly help solve a major social challenge dealing with the lack of financial awareness along with the financial illiteracy epidemic. They believe that teaching financial awareness, financial literacy and the essential principles of smart money management are so very important. This provides people the tools of empowerment for making lifelong informed money decisions, giving them the best probability of living a quality life without outliving their wealth; and for passing on personal values, knowledge & assets to future generations to make their lives & this world a better place.

TFAF has three main focal points and they revolve around:

- Taking an active leadership role to recognize organizations and their management that are championing improving financial awareness and financial literacy. Unite them with other associations, organizations, nonprofits, educational institutions, municipalities, employers, and the news media to actively focus their vast community resources on **The Improving Financial Awareness & Financial Literacy Movement** built around a growing concentrated personal finance content media blitz every six months through the strategic campaign venues celebrating
  - ◆ April as **Financial Literacy Month** and six months later
  - ◆ October as **Estate & Gift Planning Awareness Month**

The plan is to touch the majority of the general public, high net worth individuals, financial service and nonprofit professionals and their organizations at least twice a year through these strategic venues, with educational and motivating reminders to get and keep their financial house in order with current financial, estate, and gift plans.

To help address the global lack of financial awareness and the financial illiteracy epidemic **The Movement** began in the USA over a decade ago; global financial literacy initiatives are increasing; we are contacted regularly for assistance, content, and ideas from around the world. In 2018 we began **The Improving Financial Awareness & Financial Literacy Movement** in several East African Countries. This will touch ~ 150 million people; modeled after our work in the US. In 2020 The Movement expanded into Ghana – West Africa, South America, and India. We now have **The Movement** developing within 5 continents, and over a dozen plus countries. We also have initiated development activities and discussions for **The International Improving Financial Awareness and Financial Literacy Research Centers** in Universities each country domestically and internationally. They are planning on taking leadership roles within their country's and community's improving financial awareness and financial literacy activities. To unite the youth around the world on this important initiative we launched **The Improving Financial Awareness & Financial Literacy Youth Movement**.

We strongly believe that financial awareness & financial literacy are fundamental life skills – not commonly taught at home or at school – required to live a successful life in today's world. As we work more internationally, we are learning that other key life skills are also not being taught, such as

- PROBLEM-SOLVING – Making things better
- COLLABORATION – Working together
- CREATIVITY – Thinking outside the box
- NEUTRAL MIND – Open to seeing the big picture both positive & negative
- PROACTIVE LISTENING & EFFECTIVE COMMUNICATIONS – Getting and delivering the message
- ETHICS – Doing the right thing, do no harm

Without these fundamentals, no wonder we have so many social and political challenges.



## The Improving Financial Awareness & Financial Literacy Movement™

Dedicated to Significantly *Improving financial awareness & financial literacy*™

Page 5



- Developing and delivering exceptional educational content and programs for We The People - the general public – rich to poor; and for financial service, nonprofit, and charitable gift planning professionals, and educational institutions that support the public's financial and estate and gift planning and charitable planning needs, ending inherited poverty for all.
- Serving as a catalyst for many needed improvements, gender equality, & sustainability.



Organizations & individuals are never required to financially support TFAF. Nor do they have to pay any marketing or membership fee, or licensing fees to participate in The Improving Financial Awareness & Financial Literacy Movement, campaigns, & programs. TFAF also develops and distributes high-quality education materials at 'NO Cost' for use for nonprofit purposes. But as a 501(c)(3) nonprofit organization, financial support, & contributions are always welcomed & very much appreciated.

To learn more about The Movement & Gifts of Personal Financial Knowledge check out these links

| Additional Information  | Click to View        |
|---|----------------------|
| <a href="#">TFAF Annual Report &amp; Business Plans</a>   | <a href="#">View</a> |
| <a href="#">The Improving Financial Awareness &amp; Literacy Movement Worldwide</a>   | <a href="#">View</a> |
| <a href="#">The Improving Financial Awareness &amp; Financial Literacy Movement in Africa</a>   | <a href="#">View</a> |
| <a href="#">Complimentary – TFAF Personal Financial Publication Set</a>   | <a href="#">View</a> |
|   | <a href="#">View</a> |
| <a href="#">Become a TFAF Ambassador, Strategic Partner, Volunteer &amp; Support &amp; Actively Participate in The Improving Financial Awareness &amp; Financial Literacy Movement &amp; Campaigns &amp; Programs</a> | <a href="#">View</a> |
| Websites<br><a href="#">TFAF Brochure</a><br><a href="#">The Movement (Under Construction)</a>  | <a href="#">View</a> |
|   | <a href="#">View</a> |
| <a href="#">About <b>Valentino Sabuco</b> Executive Director, The Financial Awareness Foundation</a>  | <a href="#">View</a> |



Valentino Sabuco Contact Info  
[v.sabuco@TheFinancialAwarenessFoundation.org](mailto:v.sabuco@TheFinancialAwarenessFoundation.org)  
 +1 707.322.1597

***We believe having better personal finance knowledge changes your world and the world around you... FOREVER!***



**DONATE NOW**  
 Become a **FA** Supporter Today

**The Improving Financial Awareness & Financial Literacy Movement™**

Dedicated to Significantly *Improving financial awareness & financial literacy™*

Page 6

