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RAISE MONEY SMART KIDS FOR LIFELONG GAINS

If you're making New Year's resolutions, how about doing something for your kids?

When it comes to teaching kids about money, sooner is often better than later.

That's because decisions about spending and saving made by teens, college students and twentysomethings can reverberate through their lives in good or bad ways.

Don Silver, author of the newly published "High School Money Book," thinks teens should get early lessons on how to open a bank account, get a job, make good buying decisions, save for college and avoid debt.

"I want them to start thinking about money - to make conscious decisions for spending, saving and investing - so they can have **financial** and personal freedom throughout their lives," Silver said.

Silver writes, for example, about making a budget not just because it's a good **financial** exercise but because it can help people decide what they can afford to buy now, what they may be able to afford to buy in the future, and how much they can save.

"It's a way of making sure you have enough money on hand for what's really important to you," he said. "It's a way to pay for your needs and, hopefully, some of your wants, too."

And while he believes there is a role for parents in teaching kids, he also believes teens can learn a lot on their own.

"For some parents, it's more difficult to talk to their kids about money than about sex," Silver said. At the same time, "I hope to give teens some other-side-of-the-table information on where their parents are coming from."

Linda Leitz, a certified **financial** planner in Colorado Springs, Colo., said "the kids often give parents the clue" when they're ready to start learning about finance. She points out real-life situations often present good teaching opportunities.

Leitz, the author of "The Ultimate Parenting Map to Money Smart Kids" (Bright Leitz, $18.95), said that as teens get closer to applying for college, it's a good idea to have candid discussions about how their education will be paid for with savings, loans, jobs and scholarships.

"Parents can share things like when they started saving (for the child's education), how much they put aside, how it was invested, how it grew," Leitz said. "These are important lessons. The same goes for loans. What will the interest be, when does the loan come due, how much will it cost each month to pay off?"

She believes the "five fundamentals of **financial** fitness," if learned before age 30, can lead to a financially sound lifetime. They are saving 10 percent of what you earn, taking advantage of retirement plans through your job, working toward owning a house, having enough liquidity to deal with an emergency and avoiding debt.

Brian Jones, a 33-year-old certified **financial** planner in Fairfax, Va., wrote "Getting Started - The **Financial** Guide for a Younger Generation" (Larston, $18.95), because he felt many of the books aimed at 20- and 30-year-olds were dated.

"The typical advice was, 'buy a house, put 20 percent down and get a 30-year, fixed-rate mortgage,'" he said. "That may be what my folks did 20 years ago, but those rules don't apply if you're going to try to live on the East or West coasts."

The 30-year fixed rate loan, he said, "is extinct like a dinosaur" and young people need to be aware of other financing options, like adjustable-rate mortgages and hybrid mortgage loans.

He said many older adults worry they haven't taught their kids enough about money. And he also notes schools haven't done a good job, either.

"In our school district, there isn't a course directed to finances," Jones said. "It should be just as important as health - here's how to take care of your body, and here's how to take care of your **financial** situation."

He believes controlling spending, avoiding debt and learning to save are the cornerstones of a prosperous life.

"One of the most important things to know about consumer debt is that it doesn't discriminate - not by the color of skin, gender, how much you earn," Jones said. "It applies to everyone, and its impact can be just as devastating. It can ruin a household, ruin relationships, ruin lives."

Jones also believes young people are much more responsible about money than their parents and others realize.

"I see a lot of twentysomethings, right out of school and on their first job, opening 401(k) accounts and they're putting money away for retirement," he said. "That gives them a 20-25 year jump on their parents, who probably didn't start saving that early. That's huge, and I don't think we get credit."