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Teach your kids about money

Have you talked to your children about money and credit cards? If not, now may be a good time to have that conversation and start teaching your children some basic money lessons.

Ideally the best time to start to teach children about money is when they are old enough to understand the basic concept that money has value, can be traded for things and that some things cost more than others. This may be around the time children are starting first grade.

Start by giving your child an allowance. Teach your child how to divide the allowance into savings, spending and giving. Talk to your child about why saving money is important and what kinds of things can be done with that money in the future.

Explain the concept of the automatic teller, or MAC, machine to your child. Many young children don't understand where the money in these machines actually comes from and they simply view it as a place to get money. Explain what checking and savings accounts are and how money coming out of the machine is money that you put into one of those accounts. (Ideally you should only be making regular withdrawals from your checking account!)

As your children get older, you can start to teach them more sophisticated money concepts, such as how money in savings accounts collect interest and about budgeting.

Learning about money is an on-going process for children that starts simple and gets more complex as they get older. The important thing is to keep the lessons going.

Tips

As your kids head back to school, it's time to start thinking about school lunches. If your child doesn't eat the cafeteria food, that means you've got to come up with brown bag lunches that will keep the kids happy. And though that can be a challenge, it's not impossible.

Make your own "fun" lunches. Surely you've seen the little lunch in a box kits at the grocery store that include crackers and mini pieces of cheese and lunch meat. You can make your own for a fraction of the cost. A few minutes to cut some cold cuts and cheese slices into fours will give you a cheaper lunch.

Add a little variety by changing the kinds of sandwiches, fruits and veggies you pack. The key to saving money is to cut your own fruit and veggies. Though the pre-cut kind are a small time saver, they're a much bigger expense.

During the cold weather months, pack soup in a thermos for a change.

Give your kids a little sweet treat each lunch. A cookie or a bite-sized piece of candy will add some fun to the meal.



Q: I don't think I spend a lot of money. I don't have a big house payment, and I don't have a car payment. Yet every month it seems like I barely have enough of my paycheck to make it. What's going on?

A: If the bulk of your money isn't going to your mortgage and car payments (which are the usual culprits) and you can't think of any other large expenditures each month, it sounds like you're nickel-and-diming yourself out of your money.

Start tracking your expenditures each month so you know exactly where your money is going. Keep a log of every penny you spend, even if it's something small like 75 cents on a can of pop.

It's important to count even the smallest of expenses because those little purchases can add up to big dollars.

Consider this: A \$4 latte, five days a week adds up to \$80 a month and over \$1,000 a year. A \$5 fast food meal twice a week adds up to \$40 a month and \$520 a year. If you are a smoker and smoke a pack a day, that's \$150 a month and \$1,825 a year!

You should track your expenses for at least three months so you can see if you have any particular spending habits.

If you track your spending, make cuts to your budget and are still struggling each month, call Advantage CCS at:

888-511-2227

Plan now for back-to-school shopping

It seems like summer just started, but it's already time to think about back to school shopping. And while parents may be happy about the start of the school, they may also be dreading the expense that comes with starting a new year.

The cost of back-to-school clothing and supplies can add up very quickly, but there are ways to keep things under control and get your children what they need to start the new school year right.

First, develop a back-to-school budget. Start with doing your typical home budget and determine how much you need to cover your regular, monthly household expenses. Then figure out how much you can devote to back-to-school spending.

Take an inventory of what you already have. Go through your child's clothing and shoes. See what fits and is still in good condition. If there are things your child can no longer wear, but are still in good shape, you can donate them to someplace like the Goodwill or the Salvation Army. Ask for a receipt so you can use your donation as a charitable deduction when you file your next income tax return.

Make a list of everything you'll need to buy to start the school year. Don't forget to include necessities like eyeglasses or things you may need for extracurricular activities like instrument rentals, sports fees and/or equipment, or scouting uniforms.

When you're thinking about budgeting for school also look ahead in the school year and think about costs that you may incur later in the year like yearbooks, class trips, proms or graduation costs.

Try to guesstimate the cost of these things and put money aside as you go through the year.

Get your children involved in your budgeting process. Ask them what they need. Talk to them about the cost of those things. Tell your children what your school budget is and ask them to help you meet that budget. This is a great opportunity to teach kids about budgeting, prioritizing and making decisions when it comes to money. If there isn't enough money in the budget to get your children everything they want, let them prioritize and choose what they can do without ... within reason. They can't forgo essential items to get something they may not really need.

This is a good time to talk to your children about needs and wants and help them figure out the difference.

Be a bargain shopper. Keep your eyes peeled for coupons and sales. Look for brands that offer high-quality items at a reasonable cost. Limit purchases of expensive brands.

This is also a great time to make use of your local dollar store. You can often find school supplies there.

Pay for as much with cash as possible. If you need time to save up for purchases, check to see which stores offer layaway plans. If you have to use a credit card, only charge what you can afford to pay off in entirety within 90 days. If you have more than one credit card, make sure to use the card that has the lowest interest rate.

With a little planning, budgeting and compromise with your kids, you can get them everything they need for the school year without ending up with debt that you'll still be paying off at the start of the next school year.

Resources

The Dollar Stretcher:
www.stretcher.com

Brown bag lunch ideas at Delish.com:
www.delish.com/recipes/cooking-recipes/brown-bag-lunch-ideas

Recipes and ideas for kids who are picky eaters at Parenting.com:
www.parenting.com/recipes/picky-eaters/

School supply lists from Good Housekeeping:
www.goodhousekeeping.com/family/school/school-shopping-lists

The Advantage Challenge

Advantage challenges you to ...

See how many creative lunch ideas you can come up with for your children and for yourself.

You'll feel less stressed if you have an idea of what to pack sooner than the night before.

Create a menu for lunches and post it where the family can see it. A menu will help you organize your shopping, and your kids will always know what's for lunch!

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