

MN 2000
YF-45

No. 45
March-April 1980

young families



Help Children Manage Money

Handling money well is an important skill. Chances are it will be important when our children are earning and handling their own money. The more we can teach them about handling and managing money, the better. They need to master money, rather than having money master them.

Many people (parents, authorities) have differing views on how to teach children money handling. One suggests showing children that money can serve as (1) an immediate reward for services, (2) a motivator to help see that work leads to getting the things wanted or needed, and (3) an interest-earning investment, usually a savings account, for future use. Another emphasis encourages children to value money as something to share, save, and spend.

Children are great imitators and will learn much from the way their parents handle money. If they grow up in an extreme atmosphere—miserly or spendthrift—they may react by taking the opposite view when on their own.

Preschoolers learn attitudes toward money rather than how to use it. Psychologists say that children's attitudes about money are formed by the time they are two, even though they can't count. They pick this up from the actions, words, and feelings of others. Many authorities don't recommend giving an allowance to children younger than 5 or 6. An allowance implies managing money, and a preschooler or young elementary age child is not capable of this. Planning ahead is extremely difficult at this or any age. A preschooler can have small amounts of money to spend when a need arises or when you take him/her shopping. What can a preschooler buy, except sweet treats, to get experience in using money? If you buy groceries where fruit is sold separately, let the child buy an apple or a banana. Small toys, art supplies, books, contributions, and gifts are other possibilities.

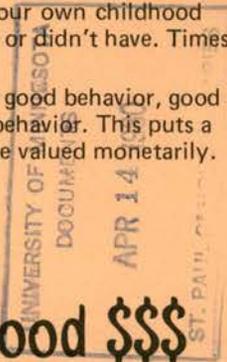
As your child grows older, the family will have to decide how to help him/her learn about money management: planning, spending, saving, earning. You have three alternatives: an allowance, give-money-as-needed, or buy everything for them. We'll assume you are providing for their food, clothing, and shelter. If you buy your children everything they want, it will not teach them the values of managing money, of setting a goal and saving toward it, or of earning money.

Many families use the give-as-needed system and feel it is satisfactory. One caution with this system is that you may be giving more than you realize, or more than a regular weekly allowance. Some families start out with this system, keep track of the amount for an average week, and then give that amount as a weekly allowance.

An allowance should be viewed as more than a means of providing children with spending and savings money. It should give them a learning experience in making decisions and living with them. Parents may think their children are spending their allowances on some pretty stupid things or saving for something beyond their means. If you feel a child has made a poor decision, don't be overly critical. Give positive suggestions for a better purchase next time. As a child grows, an allowance may have to cover needs, such as lunch money, bus fare, school supplies, and club dues.

Here are two cautions about your children and money:

- Try not to bring up or inflict your own childhood experiences with money you did or didn't have. Times have changed!
- Don't use money as a reward for good behavior, good grades, etc., or as a fine for bad behavior. This puts a price on things that should not be valued monetarily.



More for Your Food \$\$\$

Milk and most milk products are our major source of the mineral calcium which builds bones and teeth and keeps bones healthy and strong. For these reasons it is needed throughout a lifetime and not just during childhood. Milk and milk products also contribute protein and vitamins A and B. They also provide vitamin D, when fortified with this vitamin.

Fortified (with vitamins A and D), low fat or skim milk products have essentially the same nutrients as whole milk products except fewer calories.

How much milk should one have each day? It varies depending on age or condition, and it is based on the amount of calcium needed. The following number of servings is recommended:

children under 9	2 to 3 servings
children 9 to 12	3 servings
teens	4 servings
adults	2 servings
pregnant women	3 servings
nursing mothers	4 servings

A serving includes milk in any form: whole, skim, lowfat, evaporated, buttermilk, nonfat dry milk, yogurt, ice cream, ice milk, and cheese, including cottage cheese. You can count one 8-ounce cup of milk as a serving. Of course you can eat your milk in the form of cheese and other dairy products. Milk equivalents in calcium are:

1-inch cube Cheddar or Swiss cheese	= 1/2 cup milk
1 ounce process cheese food	= 1/2 cup milk
1/2 cup ice cream or ice milk	= 1/3 cup milk
1/2 cup cottage cheese	= 1/4 cup milk
1 cup plain yogurt	= 1 cup milk

This archival publication may not reflect current scientific knowledge or recommendations.
Current information available from University of Minnesota Extension: <http://www.extension.umn.edu>

Shopping Tips

- Milk is usually less expensive by the gallon or half-gallon. Get the largest size you can use within three or four days.
- Save the most money by using instant nonfat dry milk. To get whole milk flavor, mix equal parts of reliquified dry and whole milk.
- Ice milk and less expensive ice creams with a low fat content cost less than rich ice creams, and have fewer calories and more calcium.
- Make your own cocoa mix with instant nonfat dry milk.
- Slice or grate cheese yourself. You pay to have this done for you.
- Canned evaporated milk costs less than whole milk and works just as well in sauces, puddings, and creamed dishes.

Storage Tips

- Fluid milk needs to be refrigerated and covered.
- Nonfat dry milk that's unopened should be stored at a temperature of 75° F or lower. Keep the unused portion in original package or put it in a tightly covered container. If dry milk is exposed to air, it may become lumpy and stale.
- Evaporated milk that's unopened can be stored at room temperature and should be used within six months. Opened cans should be refrigerated, covered, and used in 3 to 5 days.

Budgeting for Clothes

With family budgets stretched tight, be certain that you target clothing purchases to your needs. Sherri Johnson, extension textiles and clothing specialist at the University of Minnesota, suggests taking a close look at what family members already have in their closets.

After checking current wardrobes, list the clothes each member of the family wants. Decide whether these are actual needs or simply items to supplement clothes already in the wardrobe.

Look at your seldom-worn clothing. Why do these garments gather dust? Don't they fit? Do they need repairs? Could they be updated?

Be honest with yourself. If you are certain you will not wear an older garment, give it away or try to realize some cash by taking it to a secondhand or consignment shop.

When you're ready to buy clothing, figuring out the per use cost can be a useful way to decide whether expensive, quality clothes are the best buy or if a less expensive garment will do. For example a winter coat might be worn five days a week for five months for three years, or 300 times. At that rate, a \$100-\$150 coat will cost about 35-50 cents each time it is worn.

A dressy outfit, however, is likely to have a higher cost-per-wearing. A \$50 outfit that is worn only 10 times costs \$5 each time it is used.

Cost-per-wearing also helps decide how many clothes to buy. For children, buy fewer garments so they are worn as much as possible before they are outgrown.

Once you have inventoried your wardrobe and developed a shopping plan, stick to it.

Know Credit Laws for Women

Women can benefit from the Equal Credit Opportunity Act which requires creditors to judge women on the same basis as men regarding ability and willingness to pay debts.

"Women will need to take an active role in removing stumbling blocks to their credit worthiness," says Dottie Goss, an extension specialist at the University of Minnesota.

Women should open a bank account using a first name and a preferred last name (your husband's last name, your maiden name, or a combination last name). Joint accounts tend to be regarded as a husband's property. An inexpensive way to establish willingness to meet credit obligations is to obtain a store or bank credit card, again using the name of your choice.

The ability to pay is judged by the size of one's income, taking into consideration living expenses and outstanding debts. Income from other sources can be judged if it's steady and reliable. Creditors cannot discount income derived from part-time employment, social security, public assistance, child support, or alimony payments. In fact, you needn't report child support or alimony on an application form unless you choose to do so. If this information is included, make sure you can document it's steady and reliable income.

According to the law, a creditor is limited in making certain requests:

- You may not be asked about child-bearing plans or birth control practices. If pregnant when applying for a loan, a woman needs to have proof of her ability to pay during the time she may be away from work. Since it would affect ability to pay, you may be asked how many children you have.
- If you're not married, you may not be asked if you're single, divorced, or widowed. An application form shouldn't request a title such as Miss, Mrs., or Ms.
- You cannot be asked your sex on an application, except if the loan will be used to build or buy a home.
- A creditor cannot ask about your spouse's income if you're applying for an independent, individual account.
- You cannot be asked to have a co-signer unless others in similar situations are required to do so.
- You cannot be asked to reapply for an account you presently have because your name or marital status has changed or you've reached a certain age.

This Issue

This newsletter is published for young families in the Twin Cities area by the Agricultural Extension Service of your University of Minnesota. I would appreciate your suggestions for its content. Call me at 823-5241.



Eileen G. Anderson, Urban Extension Agent

The University of Minnesota, including the Agricultural Extension Service, is committed to the policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, creed, color, sex, national origin, or handicap.