ARBOR BANK
Simple Easy Solutions

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ARBOR ADVICE

Helpful financial tips provided by Arbor Bank

Summer Money Lessons for Kids

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There's never been a better time to talk to your kids about money. Before the summer comes to an end and your children gear up to return to school, take time to share some financial insight. The best financial lessons are part of everyday experiences. Be open and honest when you discuss your financial experiences -- good or bad. Here are some examples of teachable moments to help you get started:

At the bank: When you go to the bank, bring your children with you and show them how transactions work. Ask the manager to explain how the bank operates, how money generates interest and how an ATM works. Ask for a tour, and be sure to ask to see the vault.

On payday: Discuss how your pay is budgeted to pay for housing, food and clothing, and how a portion is saved for future expenses such as college tuition and retirement.

At the market: It's easy to give clear examples of "needs" and "wants" using different kinds of foods at a grocery store. Milk (for strong bones) is a need; soft drinks are a want. Explain the benefits of comparison shopping, coupons and store brands.

Chores and allowances: Assign chores and give them a monetary value. Discuss ways to budget and divide allowances. Encourage children to set a financial goal, such as saving for a bike, and figure out how to achieve it.

Paying bills: Explain the many ways bills can be paid, such as over the phone, by check or online. Discuss how each method of bill pay takes money out of your account. Be sure to cover late penalties, emphasizing the importance of paying bills on time.

Using cards: Explain that credit cards are a loan and need to be repaid. Share how each month a credit card statement comes in the mail with a bill. Go over the features of different types of cards, such as ATM, debit and credit cards.

Browsing the Internet: While online, explain to your children the value of their personal information and why you don't want it getting into the wrong hands. Discuss the risks of sharing certain information. Then, as a family, make a list of rules for keeping personal information safe online.

Planning a trip: Whether you are planning an outing to a local amusement park or a family vacation, emphasize the value of saving. Set a family savings goal that involves your children. Figure out the cost, and discuss ways everyone can help to reach the goal.