

Money and You: Instilling values in your children - Part II

by *Carrie_Schwab_Pomerantz*

In my last column, I talked about ways to give your children practical experience with money - spending it, saving it and earning it - with an eye toward providing them with a foundation of good financial values that will prepare them to be financially responsible adults. These values aren't entirely about personal gain; I certainly believe that we would do well to instill in our children a sense of generosity and help them learn about our collective responsibility to help others.

Naturally, this idea resonates at this time of year, during the holidays, when many of us take the time to appreciate our good fortune and to give something back. By all means give generously; however, remember that the social and cultural institutions that we support through private charity need resources all year long.

As I wrote in the last column, you are the most influential role model your children will ever have (though you may doubt that fact during their teenage years). Your example sets the tone: If you are charitable with your time and money, the chances are excellent that your children will follow suit.

Here are some ideas you might pursue with your own family as part of taking a more active role in instilling the urge to be generous in your children:

- Tell your kids what you do for others.

If you do give to charity, let your kids know what you're doing and why. Teach them about the purpose of nonprofits and how they rely on donations and volunteers to fulfill their mission. You might want to teach the habit of giving by encouraging them to earmark some portion of their allowance for a charitable cause. You could even give them an extra dollar a week with the understanding that it will go to the charity of their choice.

- Help them find a cause or a group that reflects their interests or passions.

It's most rewarding when you give to a group that speaks to you in some way, so encourage your children to find an organization or cause they can believe in. You might be surprised by their concerns. A few years ago, one of my sons announced he wanted to make a donation to the American Cancer Society.

- Pick a family charity.

One approach to introducing the tradition of charity is to let your kids help choose a recipient for the entire family to give to. Hold a family meeting to solicit ideas about how to divvy up your family's philanthropic budget. In addition to teaching your child the importance of being generous, the process of selecting a charity can give your family a greater sense of purpose. Ultimately, it can bring a family closer together.

- Create a charitable gift account.

If you have the means to do so, consider setting up a charitable gift account that will pave the way for years - and perhaps even generations - of giving. It's simple to do and less expensive than you might think. Once the account is established, involve your children in the decision making.

- Encourage them to volunteer their time.

Money is obviously essential to every nonprofit organization, but time is often just as valuable. Donate your time, and urge your children to join you or find a group that needs their help. It's easier than ever for kids to find a local group that can use their energy. Schools, religious organizations and other groups offer plenty of opportunities for kids to help their community.

I know a family that regularly helps in a San Francisco soup kitchen, and they've done so since their children were quite young. Their children have experienced firsthand the satisfaction of helping others, and they can see with their own eyes the needs in our society.

- Recycle toys, books and clothes.

Kids can also learn about selflessness simply by rounding up their old toys, games, books and clothes for Goodwill, the Salvation Army and similar charities. As your kids grow up, talk with them about issues like poverty and homelessness that remain stubbornly part of contemporary life.

I believe it's important for children to understand that the world is not always an equitable place - and that they can play a role in addressing these problems. If they realize that you're concerned, they're more likely to take these issues seriously and, ultimately, to act on them.

Whatever cause you choose, and whatever way you decide to pursue it, assist your children in understanding

how their efforts are making a difference. As a family, participate in an event like the Susan G. Komen Race for the Cure. Take your children to a cultural institution that relies on charitable support. Stay up to date on a group's progress and mission. Help them experience the role these organizations play in our civic and cultural life. And remind them that giving can be an immensely satisfying experience; it may be cliché to say so, but I'm always struck by the truth of the idea that "I get more than I give."

We live in a relatively affluent society during a relatively prosperous era, yet it doesn't take much digging to see the reality of economic struggle and inequality. The need for charity and philanthropy will never go away, and as a parent, you're in an ideal spot to build a culture and tradition of giving in your family. Ideally, it's a tradition that will be replicated for generations to come.

Carrie Schwab Pomerantz is chief strategist, Consumer Education, Charles Schwab & Co. Inc. You can e-mail Carrie at askcarrie@schwab.com.

Â© Copley News Service

Money and You: Instilling values in your children - Part II by Carrie_Schwab_Pomerantz