

Growing from Piggy Banks to Retirement Savings

Finance professionals say it's never too early to teach children about the importance of saving money

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Are the children you know ignorant about personal finance? Do you worry that they will be suckers for easy credit deals and might never save for retirement? Maybe you should send them to camp.

Aznar doesn't want these youngsters to wind up maxed out on debt and unprepared for retirement.

That's one recommendation from Marni Aznar, a registered financial advisor and owner of Aznar Financial Advisors. She taught the basics of personal finance at the Discover Business program, a summer business camp for teenagers hosted by the Rothman Institute of Entrepreneurial Studies at Fairleigh Dickinson University in Madison.

Teaching children to save and manage money wisely will help prevent them from making the same mistakes as their parents, many of whom live beyond their means, says Aznar. "They're not saving as they should be for their retirement; they were never taught the basics of personal finance and as a result they are in a situation where they are going to have to work for much longer than they ever thought," she says.

Aznar, who started her Morris Plains firm in 1999, says the key to a secure retirement is saving consistently and starting young, which is why she's involved with Discover Business.

There is a lot of money at stake. U.S. children between the ages of 8 and 12 in 2003 spent \$19.1 billion per year, according to a study by Harris Interactive, a market-research firm based in Rochester, N.Y. Teens, aged 13 to 19, spent at a rate of \$94.7 billion annually.

Parents are handing over cash, but neither they nor local schools address the money-management issues faced by children, Aznar says. She's not alone in this concern. According to the 2001 KidSense Money Survey commissioned by Chicago-based Nuveen Investments, 50% of respondents said they had never been taught about money at home or in school. And last year, more than 50% of 12th-graders received a failing grade on a test of basic personal finance administered by the Jump\$tart Coalition, a Washington, D.C., group that seeks to improve the financial literacy of children.

Aznar says the key to explaining money to teens is keeping it relevant, for example, discussing saving to buy a car or pay for college. "What I try and do is talk in their language" and start out by setting basic goals, she says.

Claudia Kraft, 16-year-old junior at Villa Walsh Academy in Morristown, thought Aznar's seminar at the Discover Business camp was helpful. "I've never had that much exposure to finances," she says. "I feel lucky to learn it at a young age. It seems like something you'll really use, but don't get exposed to in school."

Another camper, Meredith Hanley, thought Aznar's seminar was "very useful because

not only can you apply it to the business world, you can apply it to your personal life. I think the earlier you gain knowledge about financial planning, the better off you'll be," says the 17-year-old senior at Westfield High School.

FDU has been giving students the basics of personal finance since the camp started in 2003. This year's program cost \$490 and included 21 students. They went through 10 modules whose topics ranged from personal finance to teamwork to entrepreneurship and business planning during the five-day program that ran from July 17 to July 21.