

# Do You Know Your Child's *Financial* IQ?

STORY BY BEN BOYNTON ■ PHOTO BY LISA KEENEY

Growing up, many of us were told to study hard and go to college so you can find a good job. And because we learn from our parents, we have a tendency to give our children the same advice. However, what worked in our parents' era will no longer work in our volatile, high-tech Information Age.

Lifetime job security at a large company with a guaranteed pension plan is a thing of the past. Today's young adults are making money for their employers, not themselves. Couples are working at a frantic pace just to pay their car loans, credit cards and, if they are lucky, their mortgages. Many are asking themselves, "how can we keep from creating another generation of hard-working people living paycheck to paycheck?"

School is not the answer to our children's financial education. My clients tell me that they never learned about cash flow or personal money management from school. Most schools don't have the resources to teach basic finance.

So what can we do to keep our children from entering this insane rat race? We need to start focusing on our children's "Financial IQ." There's nothing wrong with telling your children to get good grades

and go to college, but you also want to tell them it's better to make their money work for them than to just work for their money. We need to motivate our children to want to learn about money and think like business owners and investors. They need to realize the importance of creating income streams from their investments; understand the difference between buying an asset and a liability; and learn how to plan for retirement. These are skills the wealthy have been teaching their children for generations.

You are going to have to be creative to get your kids interested in their Financial IQ, but look at it as worthwhile investment in their future and a chance to have some family fun. For example, while you are driving in the car, expand the traditional "I Spy" game to "I Spy a Fun Way to Make Money." This will get them into the habit of seeing opportunity where others see none. Play "Chairman of the Board" by getting them to create their own financial statements. Give them a notebook and have them divide the page in half, making one column for income and one for expenses. Tell them to make an entry each time they spend or receive money. Instead of giving them their allowance, get them to draft invoices for completed chores. Have them set a

goal of what they want to end up with at the end of the month, and then have them give you an earnings report. Let them know that money isn't everything, but it does allow more freedom to choose how they want to live and enjoy their lives.

By developing your children's Financial IQ now, you will be giving them the financial skills that they will use for the rest of their life.

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(Right)

Ben Boynton with his son William.