

# Introduction

In all of history, no children have had more money of their own, more pressure to spend it, and less guidance in how to do it than the kids of America at the dawn of the 21st century.

“Today, more than ever, children must learn about money, for it is both a source of confusion and an indispensable tool they must learn to use.” Those words made a lot of sense back in 1950, in a *Kiplinger’s* magazine article entitled “Will Your Child Know the Value of a Dollar?” And they’re even more true today.

Decades ago, it was a lot easier to raise children as responsible money managers. When young people worked for pay, they typically contributed most of their earnings to the family kitty, to help make ends meet. Consumer credit was not widely available, so people saved up for major purchases. Before TV, kids could covet only what they saw at their friends’ homes or in a magazine.

Today money is more abstract—plastic credit cards, electronic transfers, cash spewing from an ATM slot. Many teens work not to help support their family or save for college, but purely to fund their own discretionary purchases. Some develop an appetite for clothes, entertainment and consumer goods that they will have difficulty affording when, as young householders, they will have to pay for their own rent, food, car, insurance and other basics of life.

The challenge for parents today is to teach restraint and responsibility in a society that doesn’t put much value on those traits. This new book, Janet Bodnar’s *Dollars & Sense for Kids*, can be a big help.

As the mother of three, Janet has lots of experience

in handling real-life money issues. Under the nom de plume of Dr. Tightwad, she began writing kids 'n' money advice in 1992, in the pages of *Kiplinger's Personal Finance Magazine*, of which she is senior editor. There followed a best-selling book, *Money-Smart Kids (And Parents, Too!)*, a newspaper column syndicated by The New York Times Syndicate, and countless appearances on national TV and radio programs. In a few short years, Janet has become the Dr. Spock of money-smart childrearing.

Her new book offers astute, practical advice for parents of children ranging in age from preschool through college: Advice on allowances and family chores. Advice on teen employment. Ideas on how kids can get started as savvy savers and stock market investors. Tips, too, on how parents and grandparents should make gifts to their young ones.

In all of this good counsel, one theme keeps recurring: the importance of communication. Effective parents include the kids in discussions and solicit their ideas, even though the parents make the final decision. And they try to set a good example in their own money management, because children learn more from our deeds than our words.

If all goes well, your kids will grow up with a healthy attitude toward money and the ability to manage it. They will become fulfilled, competent and financially secure young adults. And they won't land back on your doorstep after you thought the nest was empty.



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