

Never Too Young for Membership

Here's a wake-up call. Ask your favorite four-year-old where money comes from. When CUNA staff interviewed preschoolers at a Madison, Wis., day-care center recently, they heard two answers—the cash machine and the bank.

Shocked? You shouldn't be. Kids don't grow up in a vacuum. Researchers tell us that two-thirds of U.S. children under the age of six watch television every day. They see an estimated 20,000 commercials a year. In fact, advertisers spend \$12 billion a year targeting the youth market. And it's paying off: The median age for children to exhibit brand preferences is a mere 3½ years.

So it's no wonder that even preschoolers are aware of money. They see it in use every day. And what's more important, they often see it *misused*. Almost 50% of parents admit that they don't set a good example for their children when it comes to handling money.

It's an age-old lament that kids think that money grows on trees, although these days the apparently bottomless sources are ATMs and banks. But what would you expect when we adults don't take steps to counter the ubiquitous commercial messages of buy, buy, buy? Even if we think we're doing a good job of instilling thrift, the message isn't getting through. More than one-half of parents say that they talk to their children about spending and saving, but only one-quarter of 13- to 21-year-olds confirm this.

We know that there's a crying need in this country for sound, objective financial education. We've been hearing it from the Jumpstart Coalition for Personal Financial Literacy and other groups for a decade now. But as worthy as the efforts have been to raise awareness of the problem and develop educational materials to address it, the focus so far has been largely on reaching children in school.

That's good, but it's not enough. A K-12 solution reaches children after they've begun to form fundamental attitudes about money, starting with spending for immediate gratification. A K-12 solution also neglects the people who are in the first, best position to influence children's attitudes—their parents.

Here's how credit unions can help:

1. Recruit newborns. Parents who open accounts

for their children at birth have begun to think about instilling an early saving habit. Make it easy for them to start.

2. Equip parents to teach. Fifty percent of parents don't feel capable of teaching their children about money management. Get them started with simple tools, such as the free *Thrive by Five* activities for preschoolers on CUNA's Web site.* Also offer seminars for parents to address their personal finance questions about everything from allowances to investments. CUNA's *Seminars in a Box* series can help.

3. Serve youth. Youth programs should be more than fun and games and mascots. Use yours to introduce them to financial services. Start with savings, but don't stop

there. With education and supervision, minors can responsibly handle checking and debit cards and, yes, even credit. Use Youth Week (April 23-29 this year) and the National Youth Saving Challenge to re-energize young savers every year. Then follow up with the services and education they need to grow into full membership before they leave home.

We can't afford to wait for young adults to come to us for information. To prevent impressionable children from developing bad money habits, we have to acknowledge that most children become consumers long before they enter school.

We must reach out to new parents. We must put newborns into our strategic plans for their future financial security. But let's also not forget the health of the credit union movement. Those

preschoolers I mentioned earlier believe in the magic of cash machines and banks. If their first misapprehension doesn't convince you of the need to begin teaching very young children about credit union membership, the second should. ■

*In the first eight months since CUNA began offering parents free *Thrive by Five* money activities for preschoolers, more than 20,000 individuals downloaded more than 50,000 copies.



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Where do preschoolers say money comes from? The cash machine and the bank.