

BUSINESS AND FINANCE

TALKING WITH KIDS ABOUT THE RECESSION

By Jason Alderman

The past year has been rough financially for many folks. You probably know people who have lost their jobs, seen their retirement savings evaporate or experienced home foreclosure – you may even be in a tough spot yourself.

It's difficult enough to remain optimistic yourself, but if you've got children, the task is doubly hard: You want to be honest about why your family can't afford the same things right now, but you don't want to telegraph your anxieties and overwhelm them with dire news they may not understand and over which they have no control.

Rather than conveying panic, look for ways to reassure your kids that you are working hard to make things better and that the whole family can chip in to help.

My wife and I are using the current economic situation as an educational jumping-off point for our two children, ages five and nine. Here are a few of the strategies you might want to try:

Put prices into perspective. When your kids clamor for a new toy or treat and you'd rather not spend the money, don't simply say you can't afford it. Put the cost into perspective by noting how long they would have to save their allowance or how many additional chores it would take to pay for it.

This exercise helps kids better understand the process adults use to decide whether a purchase is worth making or not. (It works better with older kids, who more easily grasp the passage of time and the concept of delayed gratification.)

Involve children in everyday spending decisions. You probably bring your kids along when grocery shopping and like most of us, you've probably endured pleading for sugary snacks and cheap toys. Instead of racing through the store hoping to avoid conflict, use shopping as an opportunity to teach your kids the value of money.

Make them part of the decision-making process, starting with helping to create the shopping list (the best way to avoid impulse purchases) and clipping coupons. Share your shopping budget for the trip and explain the consequences of exceeding it. Then, once you're at the store, enlist their help in making price comparisons and give them a voice when choosing one item over another – that way, you won't arbitrarily be the "no" voice.

Get kids' suggestions for ways to curtail spending. Maybe it means checking out a DVD from the library rather than going to the movies, holding a garage sale or selling unwanted toys or clothes on eBay, or babysitting the neighbor's kids to replace a temporarily reduced allowance. In short, make them part of the solution.

Share stories from your own childhood. Maybe one of your parents lost their job or your family had to move in with a relative temporarily.

Share how that made you feel (frightened, sad, embarrassed), but let them know that by working together as a family things eventually worked out. Get involved with charities. If they're old enough, volunteer with your kids at a soup kitchen or homeless shelter. Nothing will make them appreciate their own situation like witnessing others who aren't as fortunate. •

One Man's Opinion

By Gerry Chong

Dear Mr. President, in case you haven't noticed, many of us have questions regarding your proposed healthcare reforms. In your September 9 speech before Congress, you alluded to these as "details," but would you please be so kind as to address some of these?

If we add 46 million to the roll of ensured, but don't add to the number of care givers, how do you avoid rationing of healthcare?

Again, if you add to the number of ensured but not add to the number of care givers, how do you avoid the care givers raising their cost of services without the use of government controls over care giver salaries?

Although you have said the Public Option would add to competitiveness in the insurance industry, what will safeguard us against a future president using that vehicle to lower its premiums to such a level as to destroy private insurers?

You have said the Public Option would operate from premiums received only, without reliance on taxpayer funds. If that is true,

who would fund the first \$7B-\$8B to start this entity?

Speaker Pelosi has said of the Public Option, "we will limit your premiums but not limit your benefits." Isn't that a blueprint for the insolvency of the Public Option? And if it does become insolvent, who will rescue it?

We have heard that as many as 56 new government agencies will have to be created to run the Public Option. Is that accurate, and what will be the administrative cost of such a bureaucracy? (The mind reels at the thought of how much paperwork they will create.)

Will that administrative cost be paid by tax increases or budget deficits?

You have proposed reducing Medicare by \$500 billion, and such reductions would be paid for by reducing inefficiency and fraud. If there is that much inefficiency and fraud in Medicare, doesn't that speak volumes about the government's inability to run a major healthcare program?

Just wondering. I'm sure we'll have more questions later. •



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