



# Family Ties

## Family Economics/Holidays

Family and Consumer Science

Human Development

## Make Your New Year's Resolution to Cut Credit Charges Before the Holidays

Dena Wise, Associate Professor, Extension Family Economics

Families who are accustomed to charging their holiday gifts and paying for them later may want to make an early New Year's Resolution to use less credit during the season. Using credit, and taking too long to pay off the charges can add hundreds of dollars to the average family's holiday gift costs.



Consumer Credit Counseling Service points out that if you charge \$1,000 for 2004 holiday gifts on a credit card with 18% interest, and make only the 2% minimum payment, you will be paying for those gifts until 2010 and will pay almost \$800 in interest. The Consumer Credit Counseling Service found that, of the families with financial problems that they counseled, one in three had not finished paying off last year's holiday bills before the next holiday season.

Experts point out that tradition and ritual are an important part of family life, but if gift-giving is throwing the family into debt, it's time to make a change. Paring down the gift list or reducing the cost of each gift are two ways to avoid the credit trap. Other suggestions are:

- Ahead of time, clue in friends and family—and especially kids—to expect fewer or less costly gifts. This will avoid “opening day” disappointments. You may want to plan an inexpensive family activity as a sort of substitute for the extra gifts. One family planned a winter picnic, another a Christmas evening supper and game-fest with friends who found themselves in the same financial bind.
- Make the most of the gifts you do purchase by avoiding “guessing” about the recipient's taste and preferences. Many families now post very specific wish lists on web sites, or exchange them prior to the holidays. Most people would rather receive one gift they particularly like or need than several gifts they don't really care for.
- When it's appropriate and less expensive, give “group” gifts. Many families appreciate restaurant gift certificates or coupons for entertainment that they can enjoy as a family.



Judy Cloud Berryhill, Area Specialist - Adolescent Development

Avoid overspending in the middle of this Season of Greed? That seems as likely as not overeating at a mile-long dessert buffet! Stay true to the real spirit of the holidays by sticking with our easy-to-follow tips for a debt-free -- and carefree -- season. So read up, slow down, and save big. It's a great way to end the year -- and start a new one.

### **1. Wish Lists**

We always ask our children "What do you want for Christmas?" This year, ask them a different question: "What would make the holidays extra special for you this year?" Sure, someone's bound to answer "Play Station 2" without missing a beat, but follow up with, "What else?" Eventually, most kids will ask for things like a chance to bake cookies with you, or make a snowman.

### **2. Gifts**

Give one big and one small gift per child. Do children need 20 gifts each? Do we need to scratch our heads and think long and hard about this one? In fact, limiting gifts gives kids a chance to think about what they really want, and encourages parents to make better choices in stores. Plus, the fewer things children receive, the more they appreciate them.

### **3. Entertaining**

Focus on activities, not food. You'll save a bundle -- and probably have more fun -- if you turn that dinner party for 12 into a tree-trimming or menorah-lighting party with hot mulled cider and cookies. Or, since booze is a budget-buster, invite family and friends for a potluck holiday brunch instead of cocktails.

### **4. Think Price First**

Consider price first, gift item second. Consumer surveys show that few among us actually make and stick to a holiday budget. Too bad, because budgeting is the best way to avoid overspending. The second best way is to make a mental list of how much you want to spend per person. Then find a gift in that price range.

**5. Non-Material Gifts** - Does your cousin really need a new scarf? Does your aunt really want more bubble bath? If you can, ditch gift-buying for friends and members of your extended family. Instead, give "holiday IOUs," good

for free delivery of a simple supper on a cold night, or a child-free weekend.

### **6. Trash the Catalogs**

Throw out those catalogs (before you look at them.) This is a great suggestion from Juliet Schor, Harvard economist and author of *The Overspent American*. Catalogs create desire for things we didn't even know we wanted, so toss them in the trash and save a bundle by getting that fleece bathrobe at a discount store. Think what you'll save on shipping!

### **7. Homemade Paper**

Make your own wrapping paper. Nope, we're not suggesting a big, time-consuming project here. Just buy a roll of white paper, the kind used for kids' art projects, and invite children to decorate with whatever you already have on hand (markers, stickers, paints, stamps -- store-bought or carved from a potato -- and ink pad). This is a great project for younger siblings to do while their older brothers or sisters are doing homework.

### **8. Recycle Old Cards**

Recycle old Christmas cards and gift tags. Simply cut the card in half and use the pretty picture to tag your presents.

### **9. Plan Now For Next Year**

In January, you should add up all your Christmas expenses. Divide by 12 and save that amount month every month and you'll have enough for next year without having to fall back on credit cards.

Source: Money Power for Families. McAleese. The Career Press. 2003.



## **Allowances: Should You or Should You Not?**

By: Denise J. Brandon, Extension Parenting and Family Relations Specialist

Should you give your children an allowance? If so, should it be tied to doing chores? At what age should children receive an allowance? How much allowance should you give? All of these are important questions, and the answers will vary with your family. Here are some guidelines for this important issue.

Most experts agree that children should receive an allowance. Having and making decisions about money are the most effective way for children to learn about personal finance. Children will usually make different decisions about spending if they are using their own money instead of your money.

Allowances should not be tied to chores, according to most experts. Chores should be done as a normal part of the family, not as a way to earn money. However, chores can be divided into two categories – those that are done regularly, such as making the bed, straightening the room, sorting the laundry, doing the dishes and those that are done occasionally, such as washing windows, washing the car, or cleaning a closet or the garage. Those chores that happen occasionally or that are big jobs can be used as chances for your children to earn extra money.



Children need to receive allowances from a young age, at least by the time they start to school. In families where there is an older child, children the age of four or five may be ready to handle an allowance. Young children should receive money weekly. By the time they are in high school, you may give the money once per month to help them learn to budget for longer periods.

Now, comes the decision of how much to give. The amount depends on several things, your values, what you expect the allowance to cover, and the age of your child. The key is to provide enough money to be reasonable but not so much that your child never has to make choices about how to spend the money. Regardless of the amount provided, you and your child should talk about what the allowance is to cover and what you will continue to pay for. For example, you may continue to pay for school lunches, but snacks purchased at school will be paid from the allowance. As your child grows, the items the allowance should cover will increase, and the amount of money should go up, as well.

It is important for you to let your children make their own decisions about how to spend the money, once it is theirs. This may mean that your child spends her whole allowance and doesn't have enough money to go to the movies with friends at the end of the week. You can sympathize with the situation, but it is important not to give her extra money to go to the movies, no matter how much she cries or begs. You may allow her to earn the money, if you wish and time allows. Experiences like this teach children to budget and save for things they want or need.

Allowances can be a great teaching tool. Take advantage of this opportunity to help your child learn to manage money.



# Helping Children Understand Money

By: Matt Devereaux, Assistant Professor, Extension Child Development Specialist

Children start learning about money at younger ages than parents realize—long before parents recognize the need to teach basic financial concepts and values. Children learn by watching and by listening to events in their lives.

## **Beginning by age three, toddlers learn to use coins for pleasure.**

How often have you provided coins for candy machines, or for swirling into a barrel? At this age they will not distinguish between coins, believing that any coin will serve the purpose. But you know that pennies won't buy much anymore.

Even with children at these young ages, it's best to set clear boundaries and expectations about money. Although sometimes it can be a hard lesson for them, children must understand that they can't have everything—that there is a limit to the family budget.



## **Preschool: ages 4–6**

Children begin to sense the power of money at this age. It feels magical to them since it can help them get something they want. Children understand the relationship between money and buying. They won't understand why a candy store clerk must get money for a lollipop, but they will understand there's a rule that you must pay for it.

Children at this age will not make any distinction between a store owner and a clerk, with one exception. Preschool children have begun to understand the concept of ownership—mine!—so if your family owns a fishing boat, take your child to visit the boat and help him or her appreciate that it belongs to your family.

## **Ideas for Preschoolers**

- C Coin collection. Start a coin collection for your child by contributing 41 cents—a quarter, a dime, a nickel, and a penny. Help your child make a display for the money. Label the amounts clearly. Use symbols, such as 10 fish to represent the value of a dime, to help your child grasp the concept of different value. Play games to help the child distinguish between the coins.
- C Pennies in the street. Anytime you spot a dropped penny, encourage your child to pick it up to save. Offer to store the penny until it's safely washed and in the child's bank.
- C Playing store. Help your child accumulate some things to sell in a play store—a few cans, boxes, even little toys. Design price tags for the goods, remembering to set prices from a child's perspective, with 5- and 10-cent items being popular. Provide some play money. Help the children divide up tasks: shoppers and clerk. Remember that the objective is for them to experience the fun of shopping and of basic money exchange.



## Getting vs. Giving at Christmas: Helping Your Child Know The Difference

By: Matt Devereaux, Assistant Professor, Extension Child Development Specialist

How do you teach your children the importance of giving to those less fortunate than they are? If you don't practice charity in your daily life, you may be tempted to lecture them about giving to the poor, with the caveat: "do as I say, not as I do." If you want your children to grow up to be charitable adults, you have to teach them this quality. Here are some ways to teach your children about helping the less fortunate.

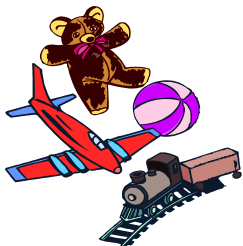


### **Start in your coat closets.**

Take out any coats that aren't being worn any more and donate them to charities collecting them. Let your children see who these people might be, allowing them to put faces to the needy.

### **Participate in food drives.**

There are lots of food drives around the holidays, and here's a way to get your kids really involved in them. Take your children to the store with you. Buy a few cans or other items that can be donated. Have them go with you to deliver the items to a charitable organization or to drop them off at the bins set up outside most grocery stores.



### **Donate used toys.**

This is also a good time of year to sort through all of the old toys and to decide which ones to get rid of. Explain to your kids that you've got to make room for all of the new toys and let them have a say in what gets donated. Make sure they are toys in good condition, with all the pieces. There are lots of organizations that serve children and their parents who have need of good, clean, used toys.

### **Sponsor a needy child or family.**

Most malls, some department stores -- and even a few places of work -- have their own version of a "giving tree." You select a card with a child's first name and his or her "wish list." You choose one or more items from the list, buy them, wrap them and bring them back. Some organizations will let you sponsor an entire family. Choose one that mirrors your family in number of kids. Let each member of your family choose gifts for their counterpart in the needy family. On Christmas day, after all your family's gifts are opened, take some time to talk about the child or family whose wish list you fulfilled.

You will find many more ideas during the holidays to teach your children about giving to others. Whichever ones you choose, make sure your kids get involved with you. Children are never too young to learn how good it can feel to help others.

# Surviving the Holidays with Teens

By: Judy Cloud Berryhill  
Area Specialist - Adolescent Development

Contrary to popular belief, teens don't lie awake all year plotting new ways to be difficult and drive the folks crazy during the holiday hustle and bustle. Between vacation, the excitement of parties and presents and the promise of a new year, teens are just as eager as grown ups to have pleasant, memorable holidays. So why do so many parents and teens find the season of joy marred by power struggles and conflicts that turn visions of a Norman Rockwell Christmas into something more closely resembling a Dysfunctional Families Anonymous meeting?

There's no doubt that holidays with teens can be trying. But with a little thought and preparation, you can solve the holiday hassle before it starts, and take steps to ease the strain for the whole family.

First, be ready for whatever your teen might pull from his or her bag of holiday difficulties this year. The primary conflicts parents and teens experience during the season of joy are:

- C Disagreements about how the teen should spend his or her vacation time
- C A teenager's reluctance to visit relatives or participate in family gatherings
- C The condescending or negative attitude teens often develop about participating in holiday traditions that they once enjoyed

To the non-adolescents in the family, it often seems that teens adopt these complaints and attitudes just to ruin the holidays for everyone else. But, as with most stages of growing up, there is significantly more to the "I-hate-holidays" phase than simple a *bah-humbug!* Teens may have a tough time during the holiday season because:

They're bored. As much as teens complain about school, once their daily routine is interrupted by vacation, they often don't know how to fill their time. Too much togetherness in idle hours that are

usually spent at school taking a break from the family can fuel conflict between teens and their siblings and parents.

They're struggling to define themselves and their place in the family. Family traditions and visits with relatives may once have made kids feel loved and safe. But as teens begin emerging from their roles as children, old family routines can seem annoying, silly, pointless, even demeaning. Rebelling against holiday traditions isn't meant to hurt feelings in the family, but is just a teen's way of saying, "Hey, I'm not a kid anymore! Now that I don't believe in Santa or get excited about new toys, where do I fit into all this holiday stuff?"



They're stressed. Teens may not have to worry about shopping and entertaining during the holidays, but they can still be under incredible pressure, especially if they're trying to navigate the vacation period between two divorced parents and/or step families. Generally, adolescents enjoy themselves the most when they are with friends or just hanging out alone. Being social with extended family can be a struggle, especially if they are conscious of wanting to keep peace in the family and not hurt adults' feelings.

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