Keeping the Dream Alive
College and Career Readiness Event
February 1 - March 31, 2021

Santa Clara County Office of Education
Parent Engagement Program
parentengagement.sccoe.org
Raising Money Smart Kids

excite CREDIT UNION
WHAT’S A CREDIT UNION?

- Credit Unions are not-for-profit organizations that exist to serve their members.

- How are they like banks?
  - Credit Unions accept deposits, make loans and provide other financial services.
  - Credit Unions have ATMs as well as PC and Mobile Banking.
  - Deposits are federally insured.

- How are they not like banks?
  - You have to be a member.
  - Instead of stockholders they are owned by their members.
  - Profits go back to members in better rates and lower fees.
WHO IS EXCITE CREDIT UNION?

- Over 60 years old
- Over 40,000 members
- Approximately $600m in assets
- Regular Accounts with no monthly fees
- Unique Youth Savings Programs
QUIZ

Your son or daughter tells you they lost their allowance and want you to give them another $10. Do you:

1. Give them the $10 and tell them to be more careful with their money
2. Tell them no. You got your $10
3. Teach them, “Money is earned. What can you do to earn another $10 for this week?”

You take out a credit card to buy groceries and your child asks, “What is that?” Do you say:

1. “It’s a credit card. It’s the same as paying with cash”
2. “It’s a way to buy things when you don’t have money”
3. “It’s a safer way to buy things instead of carrying around money, but, you need to pay it back each month.”

You’re paying the bills for the month and your child asks, “What are you doing?” You say:

1. “Boring stuff. Just paying bills. You should go out and play”
2. “Paying the bills and they’re higher this month so make sure you don’t use too much water and remember to turn the lights off”
3. “Come sit down and I’ll show you. It won’t take long but this is what I do each month so that we can live here”
WHAT IS A MONEY SMART KID?

- A money smart kid understands that money is earned

- A money smart kid knows that you have to save money
  - For things you may want
  - For emergencies

- A money smart kid understands that you can’t spend more than you earn

- A money smart kid is financially capable

So, when do you start?
AT AGE 3-5: START TEACHING THEM ABOUT SAVING AND SPENDING

- Teach them that when they spend...
  - Money is limited
  - There is a difference between a need and a want
    (talk about essential items like food)

- Teach them that money is earned
  - How do you make money?
  - What are different jobs people do for money?

- Teach them to save
  - Talk about coins and their value
  - Use a bottle or separate bottles
  - Teach them to save early
  - Help them set up a savings account
AGE 6-11: **TEACH THEM TO SET SAVING AND SPENDING GOALS**

- What do they want to buy now and in the future

- How do you shop to get the best price?
  - Let them make choices in the store
  - Show them how to comparison shop online
  - Make sure they know how to be safe when they are on the internet (we don’t share personal information)

- How does your savings account work?
  - What is interest and compounding interest?
  - You need to save part of any money you earn or receive
AGE 12-18: HELP THEM TO FEEL FINANCIALLY CONFIDENT

- Help them set a budget
  - Make them responsible for certain expenses
  - Show them how free offers (like ringtones or games) usually have a cost
  - If they start working talk about the difference between earnings and take-home pay

- Talk about new savings strategies
  - 10-20% of anything they receive or earn should go to their savings account
  - Teach them to automate savings
  - If you can afford it offer a “match” for some of their savings
Becky begins saving money at 22. Each year she invest $2,000 in an account which grows 8%. After 10 years she has invested $20,000 and stops adding to the account.

Richard waits and starts saving when he is 35. He also puts in $2,000 each year at 8%, until he retires at 65. He invests a total of $60,000.

Who has more money at age 65?
BECKY HAS MORE MONEY

When Becky retires at age 65 she has $469,904 because she started early.

Richard invested $40,000 more but because he waited, he has $261,288 when he is ready to retire at 65.

*Becky has more because she started earning interest earlier and was paid interest on her interest.*

TAKEAWAYS TO TEACH YOUR KIDS

- There is no easy way to get money

  MONEY IS EARNED

- Money needs to be saved

  YOU MUST SET GOALS

- You have to spend money

  SPEND IT WISELY
Sammy's Big Dream - Deluxe Story Set

Teach kids about saving money, earning money, working hard, setting goals, planning, spending smart, giving, and more!

https://excitecu.learnwithsammy.com
Online financial literacy by EXCITE CU: Banzai (learnbanzai.com)

- Get Started -> select Age
- Create an account
- Enjoy the game.
For SCCOE Families:

- $50 to start a Youth Account
- 5.00% APY on the first $2,500
- Let us know which school district your child attends

Reference Promotional Code
PARENTS2020
THANK YOU!

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Thank You!

Have questions or feedback?
Visit bit.ly/KTDAFeedback

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