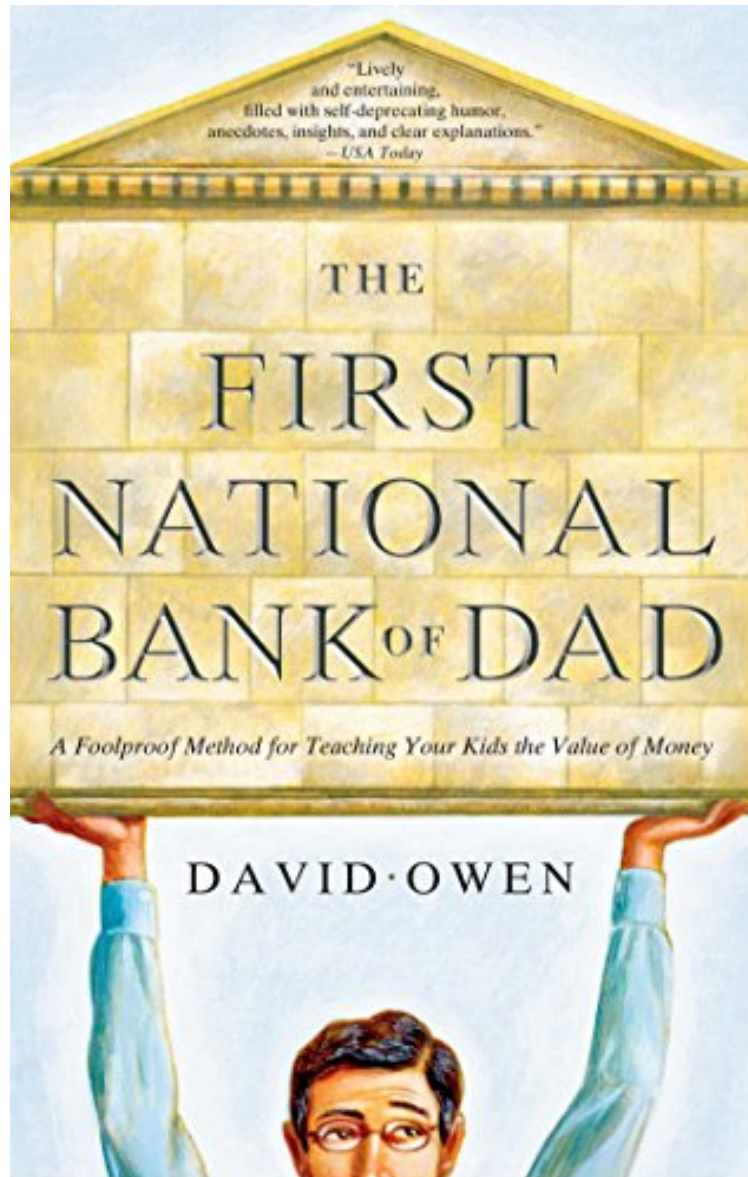


(Pdf free) The First National Bank of Dad: The Best Way to Teach Kids About Money

The First National Bank of Dad: The Best Way to Teach Kids About Money

David Owen

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David Owen : The First National Bank of Dad: The Best Way to Teach Kids About Money before purchasing it in order to gage whether or not it would be worth my time, and all praised The First National Bank of Dad: The Best Way to Teach Kids About Money:

16 of 17 people found the following review helpful. I plan on implementing the author's advice with my daughterBy Dawn-MarieThe author's most illuminating insight is this: Children's perception of time is radically different from

adults', and thus, their "time preference" is different. When you're eight years old, a year represents 1/8 of your life. Holding on to \$20 to earn \$0.60 in interest (if you're lucky) is completely undesirable, and parents who force their children to do so are imparting bad money values. In doing this, what they're teaching is that money received should be spent as quickly as possible, before parents can expropriate the cash and put it into "savings" -- a black hole in the eyes of youngsters. What the author did was create savings accounts for his children that conformed to their perceptions of time. Instead of offering 2-3% a year in interest, he offered 5% PER MONTH interest. This made saving more attractive and taught spending restraint. Additionally, the author and his wife gradually gave more and more financial responsibility to their children as they grew older. One example stands out: While on vacation, the author watched another child beg and plead and throw a fit until his father agreed to buy a \$5 tomahawk at a souvenir shop -- the cheap tomahawk was broken before the pair even made it to their car. The author's child, by contrast, since he was spending his own money, and since he had an incentive to save rather than consume, bought a \$0.30 item (after negotiating with the shopkeeper). People, including children, make much wiser decisions when they're spending their OWN money. Additionally, the author talks about how he established a virtual stock exchange (using real money) when his children were interested in stocks. And finally, the book closes with more general (and good) parenting advice, suggesting that parents read even more to their children than they already do now. I agree wholeheartedly with everything in this book, and intend to implement these ideas with my daughter, who is 19 months at the time I'm writing this review. The book's only weakness is its rudimentary explanation of stocks, mutual funds, and other financial instruments. This is unnecessary since the majority of the audience already understands these concepts, while those who don't need more information than the author is able to provide. No matter, I still strongly recommend this book and endorse the concepts championed by the author.

1 of 1 people found the following review helpful. It works

By J. Hinkle I am always skeptical about parenting advice, yet I keep reading it. Owen breaks down a plan to teach fiscal responsibility in a simple way peppered with humor and illustrative stories. After using some of his methods, my son is 7 years old and is now an active saver. He is responsible for his money and makes careful decisions with his spending (I don't always agree with those decisions but they are careful). Now that my son has mastered responsible spending and saving, I look forward to guiding him towards frugal investments

0 of 0 people found the following review helpful. Three Stars

By K. Roy Pruitt I enjoy this book. Wished my Father would have had it when I was growing up.

Most parents do more harm than good when they try to teach their children about money. They make saving seem like a punishment, and force their children to view reckless spending as their only rational choice. To most kids, a savings account is just a black hole that swallows birthday checks. David Owen, a New Yorker staff writer and the father of two children, has devised a revolutionary new way to teach kids about money. In *The First National Bank of Dad*, he explains how he helped his own son and daughter become eager savers and rational spenders. He started by setting up a bank of his own at home and offering his young children an attractively high rate of return on any amount they chose to save. "If you hang on to some of your wealth instead of spending it immediately," he told them, "in a little while, you'll be able to double or even triple your allowance." A few years later, he started his own stock market and money-market fund for them. Most children already have a pretty good idea of how money works, Owen believes; that's why they are seldom interested in punitive savings schemes mandated by their parents. The first step in making children financially responsible, he writes, is to take advantage of human nature rather than ignoring it or futilely trying to change it. "My children are often quite irresponsible with my money, and why shouldn't they be?" he writes. "But they are extremely careful with their own." *The First National Bank of Dad* also explains how to give children real experience with all kinds of investments, how to foster their charitable instincts, how to make them more helpful around the house, how to set their allowances, and how to help them acquire a sense of value that goes far beyond money. He also describes at length what he feels is the best investment any parent can make for a child -- an idea that will surprise most readers.

From *Publishers Weekly* This is a terrific little book that could completely change the way many parents think about children and money. Owen, a staff writer for the *New Yorker*, entertainingly details ways to "raise children who aren't overwhelmed by the financial side of life." He convincingly argues that the purpose of most parental savings plans for children "is not to promote saving but to prevent consumption." His book sets forth a very clever idea: by setting up a checking account for his children using a Quicken program with a high interest rate-5% per month-Owen shows how he was able to teach them that "the more you save, and the longer you hold it, the more you will be able to spend." In each case, he deftly proves his main idea: that "they became savers because I created a system that rewarded them for spending less than they earned." Most important for parents beleaguered by kids demands to "buy them something," Owen shows how a savings program such as his can help take the emotion out of buying, so that the question kids have to answer "is not 'How can I talk Dad into paying for this?' but 'Is this something I really want?'" His savings plan (along with his equally interesting "Dad Stock Exchange" idea) is rooted in a clear-headed view of economics as well as a good-faith desire to help parents help kids to become responsible, not greedy, adults.

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Business Information, Inc. "Lively and entertaining, filled with self-deprecating humor, anecdotes, insights, and clear explanations." -- USA Today "Saving money . . . should be the child's choice. For an idea that might get your kids to a nest egg voluntarily, take a look at David Owen's book *The First National Bank of Dad*." -- Jane Bryant Quinn, Newsweek "When your children grow up, few things will affect their lives as much as the presence or absence of money. Unfortunately, most teachers and parents devote little systematic attention to teaching them how to live their economic lives. Start with this enjoyable book for some excellent suggestions." -- Pittsburgh Post-Gazette "This is a terrific little book that could completely change the way many parents think about children and money." -- Publishers Weekly

About the Author David Owen plays in a weekly foursome, takes mulligans off the first tee, practices intermittently at best, wore a copper wristband because Steve Ballesteros said so, and struggles for consistency even though his swing is consistent -- just mediocre. He is a staff writer for *The New Yorker*, a contributing editor to *Golf Digest*, and a frequent contributor to *The Atlantic Monthly*. His other books include *The First National Bank of Dad*, *The Chosen One*, *The Making of the Masters*, and *My Usual Game*. He lives in Washington, Connecticut.