

WTNS Radio OSU Extension Update for August 2, 2021
Healthy People. Healthy Finances. Healthy Relationships.

On today's OSU Extension update for Healthy People, Healthy Finances, & Healthy Relationships we'll talk about why parents make the best financial teachers, and as always, look at some upcoming programs from OSU Extension.

Do you ever think about why you make the financial decisions that you do? Or why you might have the financial values or habits that you display? A 2015 article in the Journal of Consumer Affairs took a comprehensive look at our foundations of financial well-being. The results are not surprising, but they may be just the reminder and encouragement that someone needs today.

The Consumer Financial Protection Bureau defines financial well-being as "having control over one's finances day-to-day and month-to-month, having the capacity to absorb financial shocks, being on track to meet financial goals, and having the financial freedom to make choices that allow one to enjoy life."

This is much more involved than only having financial knowledge. This is directly tied to critical thinking skills, the ability to think about the future, and self-control behaviors, like impulse control and delaying self-gratification.

Most financial education programs in schools emphasize the knowledge part- understanding financial terms and concepts. And while this is certainly important, it is not the complete picture of what is needed for financial wellbeing. Teachers know that more is needed, but honestly, kids are arriving at school with their own kind of financial knowledge they've acquired in their first five years of life.

Research shows that parents' influence on their children's understanding of money management begins early. Most children already have knowledge and attitudes about their role as consumers before they even start school. The study authors state that children "are continually apprenticing—acquiring the knowledge, habits, attitudes, and personality traits that will play an instrumental role in their own financial well-being later in life."

That is why parents and caretakers are critical in developing skills our youth so desperately need that contribute to financial well-being. One area is the range of mental processes that support planning, organizing, and concentration called executive function. For preschoolers, all these

processes are developing very rapidly. This is an opportune time to introduce the concept of saving for something special over a short amount of time. One example of helping to delay gratification is asking them to actively visualize the item for which they are saving up whenever they are tempted by the candy aisle near a checkout counter.

Another area, financial socialization, emphasizes the important roles played by social interactions with parents in the formation of financial values, norms, attitudes, and habits. This is especially key for elementary and middle school children. Sometimes there are questions about whether allowances are a good idea. One study found that having received an allowance alone does not change adult spending and savings behaviors. Instead, receiving an allowance combined with parental oversight as to how the money is spent, and parental teaching about budgeting and the necessity of saving, was found to be most effective.

Another study found that being raised in a financially prudent household, where parents saved and paid their bills on time, resulted in less self-reported engagement in negative financial behaviors such as misusing credit cards and making unaffordable purchases, even after controlling for socioeconomic background.

You can find more helpful hints by visiting consumerfinance.gov and searching for the “Money as You Grow” resources.

Here are some upcoming programs from OSU Extension: Registration is available for just a few more days for Dining with Diabetes. This is a cooking school and nutrition education program for people with diabetes and those who support them. Classes will be offered August 19 – September 9 and we are happy to work with Coshocton Regional Medical Center, the Coshocton County Health Department and KnoHoCoAshland Community Action to offer this program. You can find more details and registration information for these classes at coshocton.osu.edu.

In closing, at OSU Extension, we are proud to work for Coshocton County to help improve our families, farms, and businesses. Please feel free to contact OSU Extension for more information at 740-622-2265 or visit our website at coshocton.osu.edu. Make it a healthy day!