

HUGHES | FINANCIAL
SERVICES, LLC



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YES YOU CAN ...

Raise Financially Aware Kids & Grandkids

Understanding the value of a dollar
from toddler to teenager

PRESENTER



PATRICK HUGHES, CFP®
Managing Partner
& Financial Advisor

ABOUT HUGHES FINANCIAL SERVICES



RIA

Independent
Registered
Investment
Advisor



Comprehensive
financial planning
and wealth
management



Fiduciary



Professional
certifications
and continuing
education



Over 80 years
combined
experience



**“I made my first
investment at age
eleven. I was
wasting my life up
until then.”**

RAISING FINANCIALLY AWARE KIDS & GRANDCHILDREN

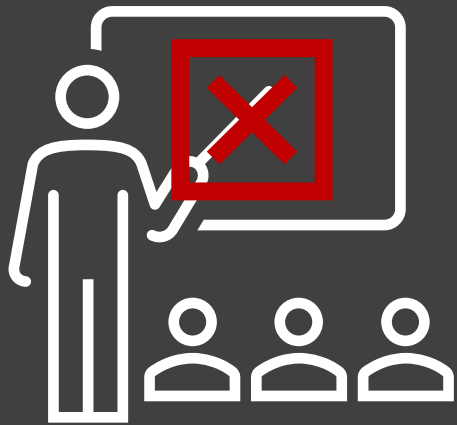
Why It's Important



5 Years Old = 30,000 Advertisements

RAISING FINANCIALLY AWARE KIDS & GRANDCHILDREN

Why It's Important



RAISING FINANCIALLY AWARE KIDS & GRANDCHILDREN

Your Impact

CFP

Chief Financial Parent

RAISING FINANCIALLY AWARE KIDS & GRANDCHILDREN


Your Impact

CFP



RAISING FINANCIALLY AWARE KIDS & GRANDCHILDREN

Your Impact



Become a resource
for your children
to talk to about
money decisions

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Understanding Money

**“THE
TALK?”**

Talk about money as early as possible; the younger the better

Act casually about the subject

Leave money in its proper place

Know your audience

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Understanding Money



KIDS WHO MANAGE THEIR OWN MONEY HAVE BETTER MONEY HABITS

Kids' good money habits start with conversations and managing their own money

PARENTS, KIDS & MONEY SURVEY

2017



KIDS WHO AREN'T ALLOWED TO MANAGE THEIR OWN MONEY

53% Spend their money as soon as they get it

49% Have lied to their parents about what they spent their money on

65% Expect their parents to buy them what they want

KIDS WHO ARE ALLOWED TO MANAGE THEIR OWN MONEY

76% talk to their parents about money

91% Say that their parents set a good financial example

62% have a savings account



RAISING FINANCIALLY AWARE KIDS & GRANDCHILDREN

Evolution of Money



RAISING FINANCIALLY AWARE KIDS & GRANDCHILDREN

Evolution of Money



RAISING FINANCIALLY AWARE KIDS & GRANDCHILDREN

Understanding Money



RAISING FINANCIALLY AWARE KIDS & GRANDCHILDREN

Understanding Money

PAY

CHOOSE

HAGGLE

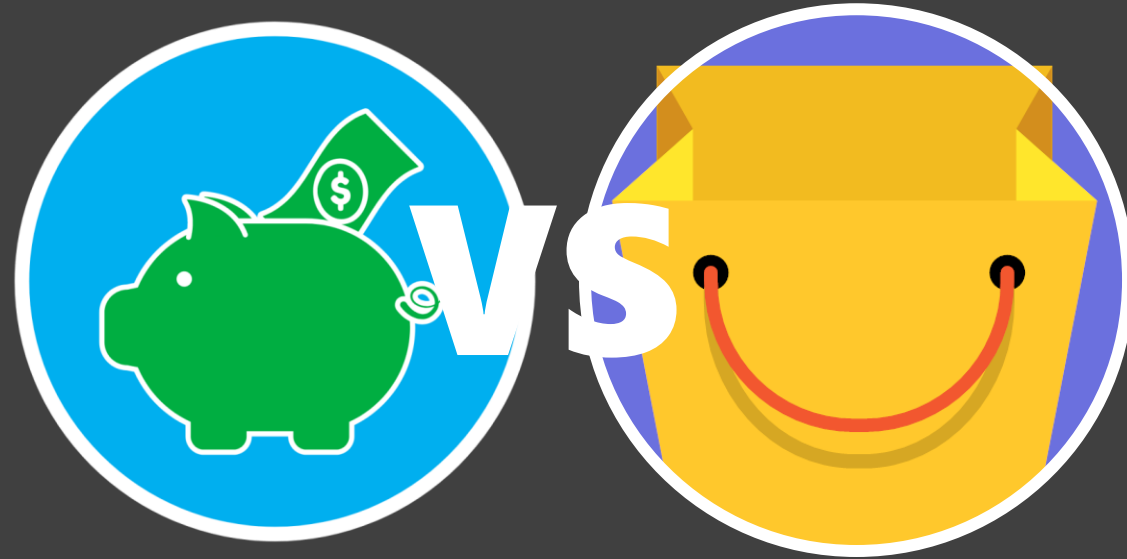
HOST

YARD Sale



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Understanding Money: Allowances

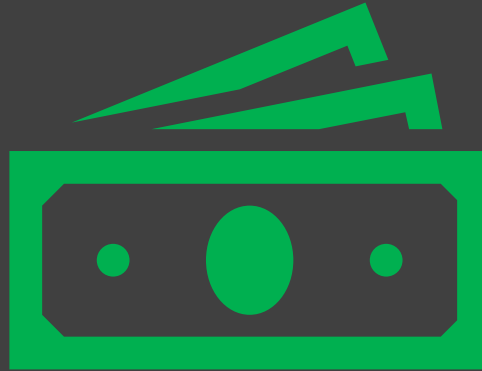


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Understanding Money: Allowances



WHEN



HOW MUCH



RULES

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Allowances: How Much?

FACTORS TO CONSIDER



Child's age



Why it's being given



Your income



What it will be used for

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Allowances: How Much?

GENERAL RULE OF THUMB

- One dollar per each year of age
- 10 year old = \$10 per week
(or agreed upon timeframe)



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Allowances

HANDS-ON TRAINING FOR A FINANCIALLY RESPONSIBLE FUTURE

- Allowance without expectations
- Allowance tied to specific actions or behaviors
- No allowance: pay as you go/per chore or behavior
- GOAL: learning experience vs power struggle

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Understanding Money: Allowances

THE ALLOWANCE CONTRACT

- Serves as an agreement on rates and expectations
- Re-evaluate regularly to determine potential “raises”
- Can “grow” with child: more responsibilities, more money
- Teenagers/College Students: add spending reimbursement for agreed upon expenses

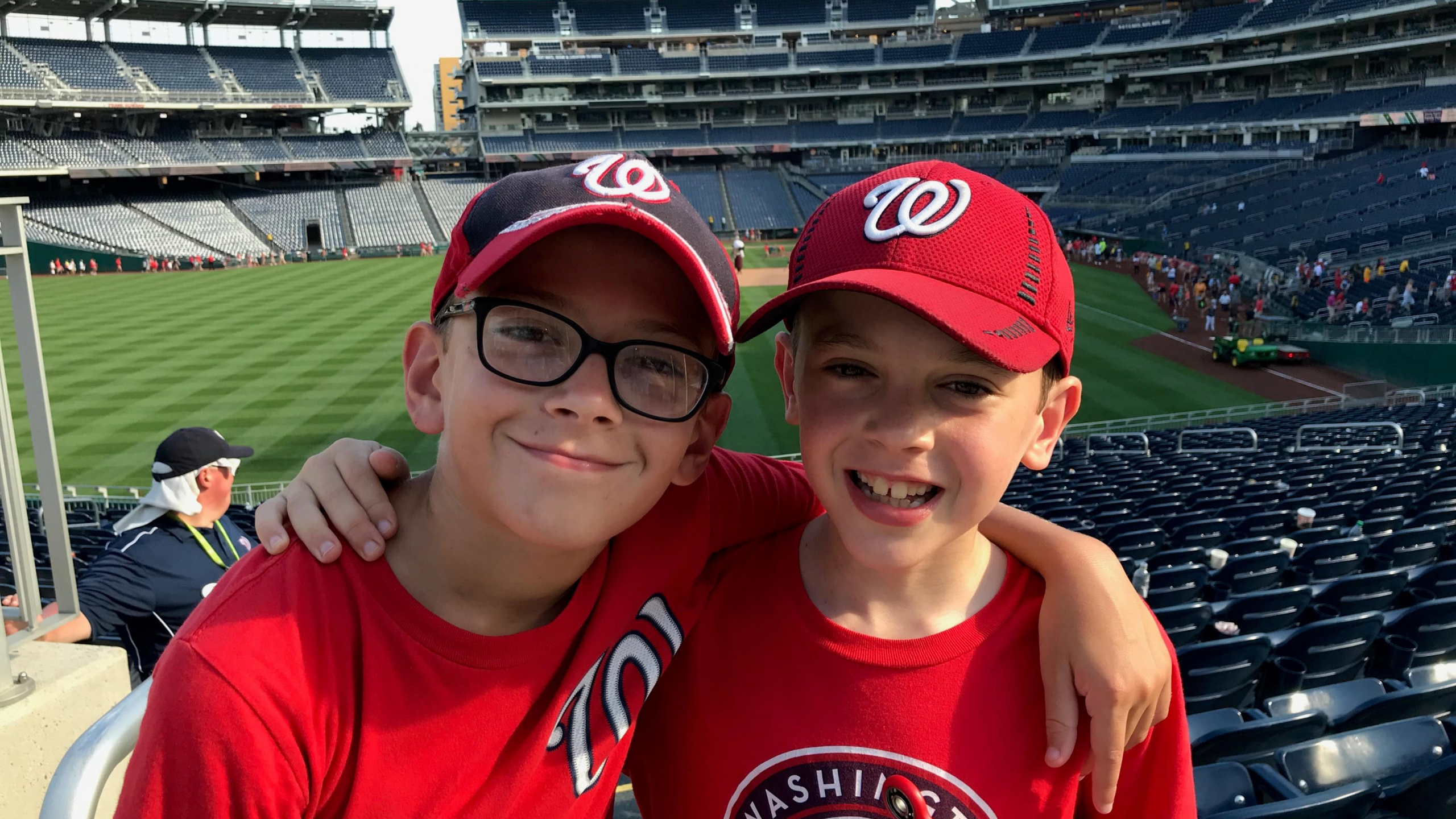


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Understanding Money: Keys to Accumulating Wealth

LESSONS TO LEARN

- Start early and save regularly
- Recognize needs vs wants
- Determine value vs cost
- Consider rate of return
- Understand value of compound interest

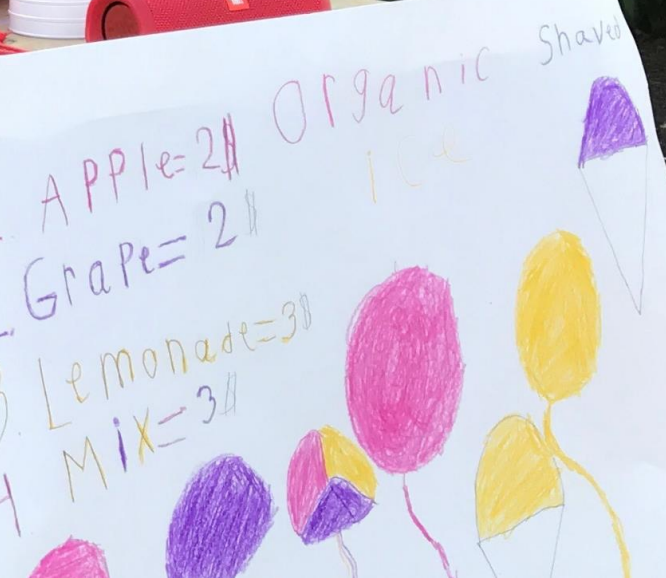




Leesburg
KE DEPOT



1 Apple=20 Organic Shaved
2 Grape=20 Ice
3 Lemonade=30
4 Mix=30



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Putting a Child's Money to Work

HOME-BASED BUSINESS



REVENUE



EXPENSES

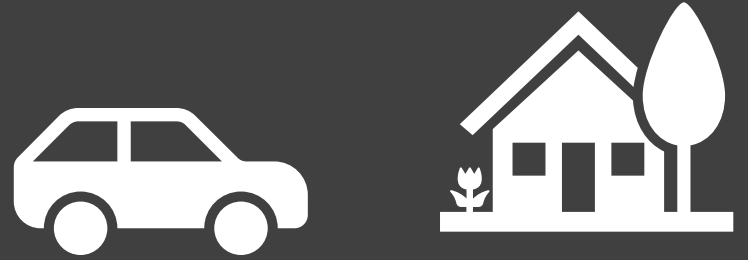


EARNINGS

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Understanding Money

- Inflation
- Shrinking dollar
- Cost of items now vs then
- **ACTIVITY:** call grandparents and ask about price of their first car and first home; then compare to how much parents' first cars and home cost them



RAISING FINANCIALLY AWARE KIDS & GRANDCHILDREN

Putting a Child's Money to Work

INVESTING

- Risk vs reward
- Timing
- Review investment options: savings account, CD, money market, stocks, bonds
- Child with active income can invest in Roth IRA

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Putting a Child's Money to Work

INVESTING

- Have your child list items used daily
- What companies produce these items?
- Look up these companies' earnings and stock prices on S&P 500/NASDAQ
- Track the growth/decline of these companies for specific period of time

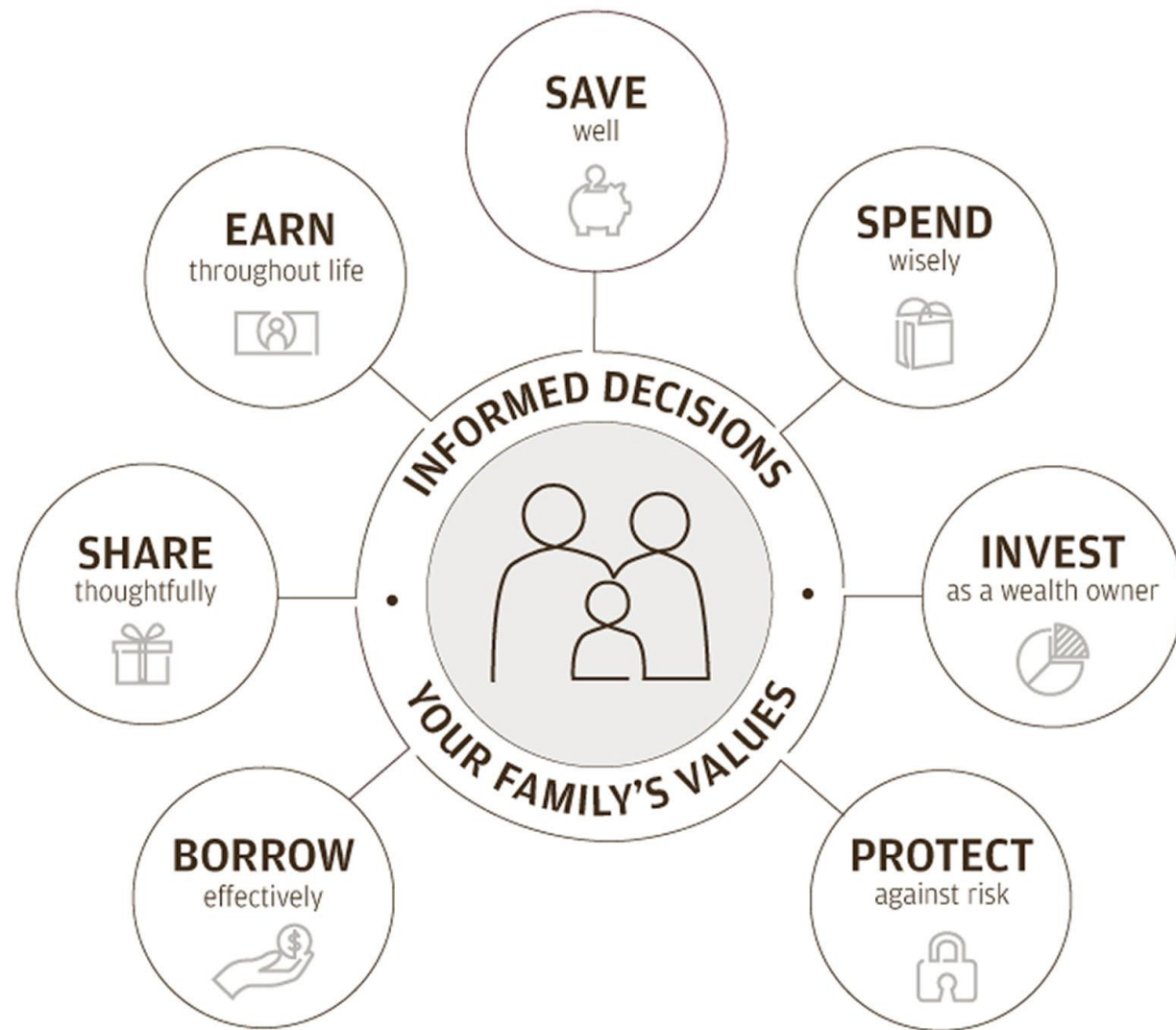


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Putting a Child's Money to Work

DONATING

- Tithe percentage of earnings to charitable organization
- Match your charitable values



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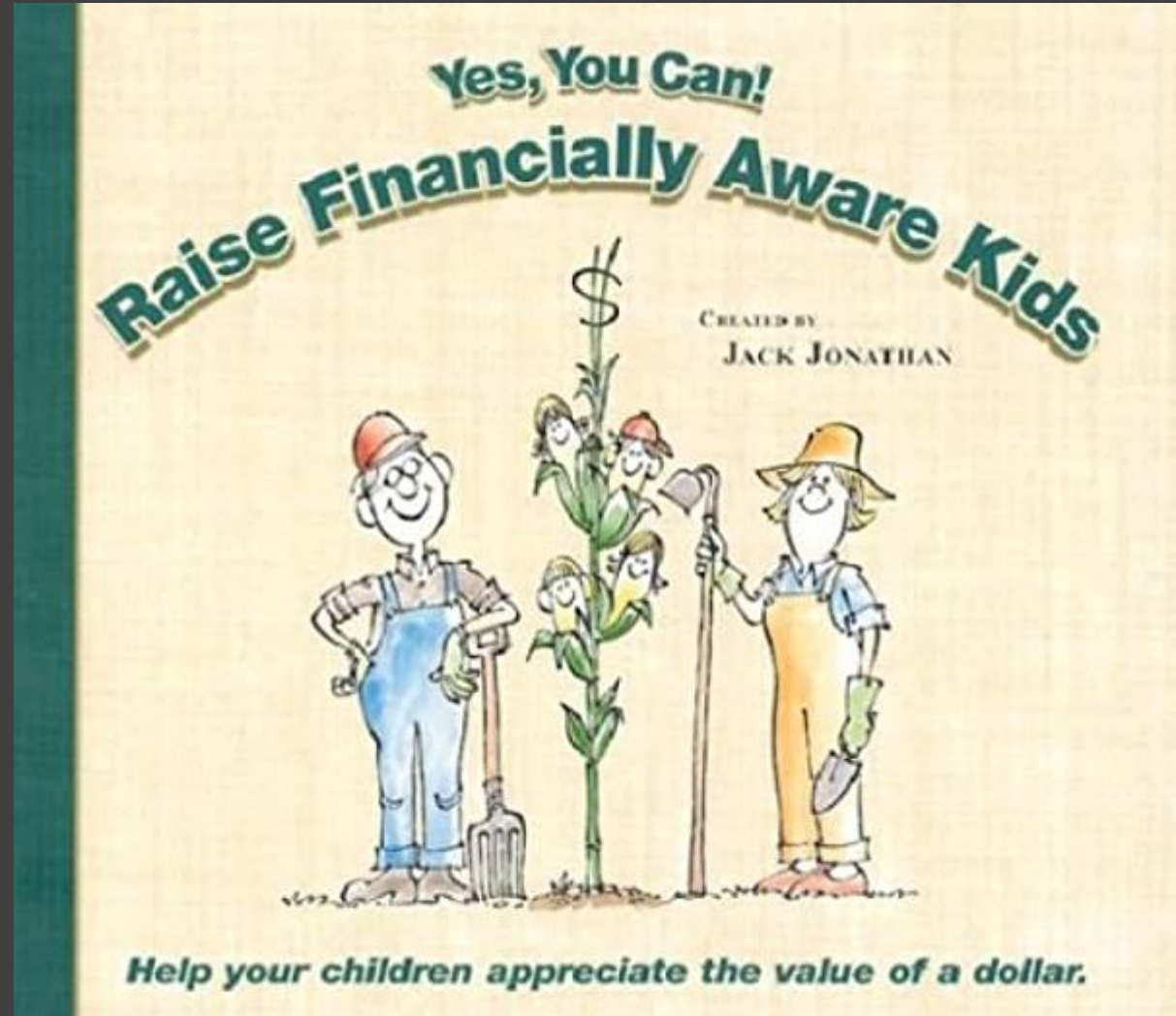
Helpful Resources

PDF download of article
available on webinar
control panel under
“Handouts”



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Helpful Resources



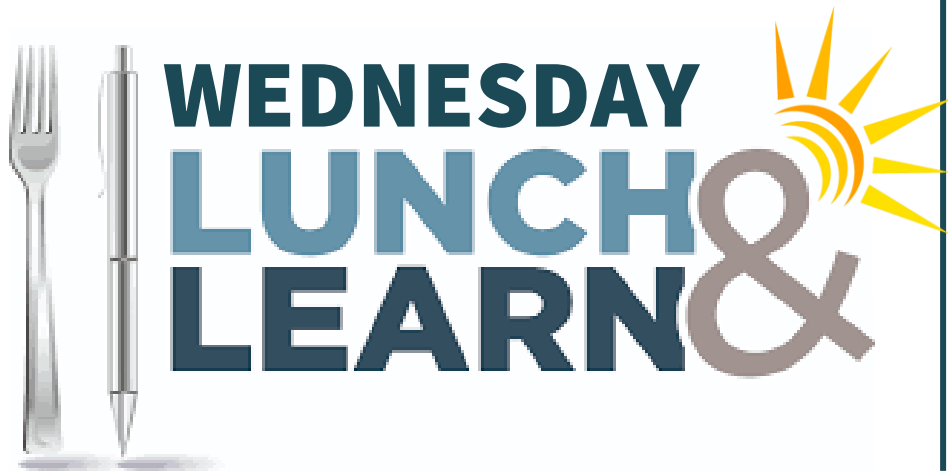
It is important that your children learn what they can with money early in life so they will apply the lessons learned at home as they face the real world in future years.

JAMES E. STOWERS, JR. | FOUNDER, AMERICAN CENTURY INVESTMENTS



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- Fundamentals of Investing 102: Make Your Money Work For You
- Your Savings Alone Won't Pay for College: Financial Strategies to Get on Track for College with an update on the impact of COVID-19
- Maximize the Value of your HFS Portal, Part 2: Spending & Budgets



If you have questions about this presentation, please contact us at:
(703) 669-3660 or clientservices@h4fs.com

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SOURCES: American Century Investments; T. Rowe Price

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