



NATIONAL FOUNDATION FOR
CREDIT COUNSELING

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make all the difference.*

NFCC PRESS RELEASE

For Immediate Release
June 15, 2010

Contact:
Gail Cunningham
(940) 691-6322 - direct
(240) 672-2700 – cell
gcunningham@nfcc.org

FATHER KNOWS BEST – OR DOES HE? *NFCC Survey Reveals Need for Personal Finance Education*

Silver Spring,, MD – As Father’s Day approaches, we are reminded that dads are as often as not, charged with the task of teaching the children how to handle money responsibly.

The National Foundation for Credit Counseling’s (NFCC) 2010 Financial Literacy Survey addressed the topic of where consumers learned the most about personal finance. The majority of respondents, 41 percent, said they learned their personal finance skills from their parents or at home.

On the surface, that seems like a fine place for children to learn about money. However, another survey question allowed respondents to grade themselves on their own knowledge of financial literacy. Thirty-four percent, or nearly 77 million people, gave themselves a grade of C, D or F, leading to the conclusion that those in charge of the financial decisions at home may be in need of some additional financial education themselves.

“A person can’t teach what he or she doesn’t know,” said Gail Cunningham, spokesperson for the NFCC. “We’re living in a time where an abundance of personal finance courses, books and other tools are available, meaning that dads (and moms) can take advantage of the opportunities to not only improve their grasp of financial literacy, but also positively impact their children.”

It has long been known that children mimic their parents’ attitudes and habits. That means that adults need to not only teach, but also demonstrate sound personal finance habits through their lifestyle. Look at the following checklist to see if your behavior reflects what you want to be teaching your children about money.

- **Is there an emphasis on saving?** Americans are really good spenders, but rotten savers. A robust savings account is a safety net that provides protection against the unplanned expense, the emergency, or a loss of income. Making saving an important element of your financial planning shows your children that you place a priority on preparing for the future.
- **Are you financially organized?** Are you getting late notices not because you couldn’t afford to pay the bill, but because you forgot to pay it? Robbing Peter to pay Paul because due dates don’t coincide with paydays? Putting all of your financial papers in one place and reviewing them weekly will give you a sense of control over your finances and teach the children a valuable lesson.

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- **Are there arguments in the home over money?** Even if you try to hide it, if there's tension in the home when money is discussed, the children will sense it. . Money then becomes a scary subject to them, one to be avoided. They will likely carry this fear into adulthood, potentially causing problems when they have to deal with financial decisions within their own marriage.
- **Do you hide purchases?** Remember, your children were probably with you when you made the purchase, as well as when you locked it in the trunk of the car so that your spouse wouldn't see it. This is not teaching appropriate behavior on many levels.
- **Do you avoid answering the phone or opening the mail, fearing more communication with debt collectors?** Your family will realize that something strange is going on, plus you won't be able to dodge the collectors forever. It's always better to deal with the problem rather than run from it, as delaying action only makes the situation harder to resolve.
- **Do you involve your family in financial decisions?** Doing so provides ample opportunities to teach positive principles about money. Bring the children in on the decisions that affect them, things such as which cable package to buy, or how many pizzas should be ordered each month. Have a full discussion around the benefits of the decision, including what else could be done with the money saved.
- **Are you a generous giver?** The children will observe you supporting the local little league team, charities, or the homeless. The gift of giving which starts at a young age will likely stay with the child for a lifetime.

“The home is filled with teachable moments around money,” continued Cunningham. “Knowing that you children will likely follow the financial examples you've set is a strong encouragement to get your financial ducks in a row.”

If you're a dad, give yourself and your family a gift this Father's Day, the gift of financial literacy. To get started on the path to financial wellness, reach out to a trained and certified credit counselor at an NFCC Member Agency. To find the location closest to you, dial (800) 388-2227, or go online to www.DebtAdvice.org. For assistance in Spanish, call (800) 682-9832 or visit www.Terminconsudeuda.org.

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