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Managing financial stress at home

By Kathleen Olson

These are tough times for us all, but they can be especially hard if you have kids. We want our children to be happy and we try to keep them from the more stressful parts of life. When our kids are upset because we have to say "no" to the sports equipment or shoes they wanted, it's tough. But when you lose your job, car, home, savings or your child's college fund, it's even more difficult because you know that your kids' lives will be affected, too.

Financial problems at home will affect every family differently, that is why it is crucial to sit down as a family and discuss it.

Find an age-appropriate way to discuss financial stress with all your children. Your preschooler may remain happily oblivious, while your teen may have many questions about your own personal finances or the economy.

Parents of children aged seven and younger should simply reassure their children that the economy often goes through big changes, and that the family will always work together to take care of everyone's needs.

For older children, this can be a teachable moment, using the economic times to reinforce the financial principals for your family. You can help them feel less anxiety by having them help you save money. Give them a pair of scissors to help clip coupons or send them on a hunt in the grocery store for great bargains. Have your children earn a little money of their own by raking leaves for a neighbor or gathering recyclables.

Every child will adjust differently; so don't be surprised if your children resist making any personal sacrifices. Kids may take things personally, or think it's unfair that they have to economize. Your first reaction may be that your child is acting selfish or inconsiderate, but it's beyond their ability to empathize with your situation.

If you notice that your child isn't adjusting to a difference in tighter budgeting, then try to explain how you as an individual have to cut back too. For example, it's easier for kids to give up their sports camp if you've already cancelled your fitness center membership or taking your lunch to work instead of eating out.

Distract your children from what they're missing with new activities. Brainstorm fun things your family can do cheaply, such as an at-home movie night with popcorn, playing sports in your yard or a hike in the woods.

There are important parenting lessons that we learn in the face of economic stress.

Recognize that how you act and what you say can affect your children's emotional well-being not only now but long-term.

Use open communication and be there to set them straight about the facts and tone down the doom and gloom reports they may be hearing in the news. While you may not be able to save your job or house, there are ways to help your family get through these tough times.

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