

Helping Kids Cope In a Bad Economy

Maureen T. Mulroy, Ph.D.



Layoffs, foreclosures, national and international economic uncertainty! Everywhere you turn someone is talking about the economy, its downturn and the toll it is taking on Americans. Many families are experiencing drastic life changes due to the recession – lost jobs, earnings, health coverage, cars, and in some cases homes, while other families are anticipating them. Parents are trying to keep these stressors from their children while struggling to take actions to reduce family expenses (Kaiser Commission on Medicaid and the Uninsured, 2009).

Children, however, are fully aware that something is amiss. The national media has insured that terms such as “the collapse of Wall Street”, “skyrocketing bankruptcies” and “financial melt-downs” are on the lips of every adult. Plant closings and industry layoffs are featured nightly on local television and community newspapers put “faces”, sometime familiar faces, on the people seen standing in long lines at the area unemployment office, food pantry or homeless shelter. Sitting on the school bus, they pass the “For Sale” signs attached to friends’ houses and they see or sense changes in their parents or in their experiences as a family. Children are reporting that they are confused, worried, and anxious (Eliot, 2009).

What Parents Can Do

The most important thing parents can do is to talk with their children about the financial crisis in terms they can understand and in a way that won’t frighten them. As one would expect - different ages require different approaches.

Elementary- age children, most likely, won’t pay attention to media reports unless there is a personal connection, e.g. a friend’s family member loses their job or because family finances interferes with their ability to do or buy things. In this circumstance, parents need to explain the situation in simple terms and reassure the child that no one is going to end up in the “poor house”. Parents can comfortably talk with their children about issues such as the family’s budget, the need to cut back on certain expenses, and strategies which can be used by everybody to help the family save money and continue to have fun while waiting for the economy to improve (Elliot, 2009; Moyer, 2008).

Middle- and high school age kids, on the other hand, are watching and reading the news, talking about the economy in school and are keenly aware of the troubles in the financial markets, especially when a parent or neighbor has lost a job as a result of the turmoil. They, too, want parental reassurance but they also want honest answers from their parents about how the economy is directly affecting the family. Parents need to be ready to address pointed questions such as, “Will we lose our house?”, “Will I be able to go to college?”, “Will we have enough money for braces?”, “Will I have to sell my?” without disclosing the specifics of parents salaries, the exact amount of indebtedness or the size of the family savings account (Family Education, 2009).



As difficult as it may be for parents to talk about money matters with their children, it is best for everyone if parents are proactive, rather than reactive, in opening up conversations about family’s finances. This will allow questions to be answered, issues to be tackled and anxieties to be addressed (Moyer, 2008). It has been suggested that when families need to “tighten belts”, parents should consider –

- Presenting the household budget in terms their children can understand (Bochan, 2009).
- a. For younger children, parents can use play money to show how bills have to be paid, groceries bought, and extra money has to be saved for special or unexpected purchases or events.

- b. Showing older kids your monthly bills can help them better understanding the family situation and identify ways they can contribute (Ramsey, 2008).
- Sharing their “money smart” strategies for cutting costs (e.g. using a grocery list and buying generic or ‘on sale’ items only; packing a bag lunch and taking the bus to work) and saving money (e.g., clipping coupons; cancelling magazine subscriptions).
- Kids should be asked for ideas to help family finances and tasked with reducing personal or family expenses.
- Teaching children the value of money by talking about how much things cost and illustrating how much allowance must be saved or hours worked to purchase items that they or the family wants (Briggs, 2008). If certain luxuries have to be given up, explain that almost everyone is feeling the pinch of a troubled economy.
- Having older members of the family talk with children about how they recovered from temporary financial setbacks or previous economic downturns (Elliot, 2009).



If a family suffers a serious financial setback, it is extremely important for the parents to talk about the event and to explain, in terms the children can understand, what they might see, hear or experience. For example if a parent becomes unemployed, the children need to know that– the family will be on a tight budget, necessities will be paid with unemployment insurance and the family savings, and “extras” will have to wait until the parent goes back to work. Children should know they may see the parent become “moody” or the other parent take on a second job. They should be told that they did not cause the parent to become unemployed, that the parent is okay, and in time will find another job (Brodkin, 2008). Similarly, in cases of bankruptcy, parents need to explain in the simplest terms why certain actions (e.g. selling the house and renting an apartment) are being taken and explain how these actions will help pay debts and give the family a fresh start. Parents will need to address the emotional as well as the financial costs that attend bankruptcy for themselves and their children as they say goodbye to family pets, friends and neighbors, and cherished possessions (Family Education, 2009).

During these difficult times, parents need to know that few children grow to adulthood without experiencing some family crisis along the way and that this current crisis or some version of it has been experienced before. There is ample evidence to suggest that when families talk about the issues affecting them, listen to each member’s ideas, and commit to making changes in their spending habits, they can and do find peace, contentment, and a sense of purpose in good times, bad times, boom times and hard times.

What 4-H Leaders Can Do to Help

1. **Talk with members about the economic “down turn”** – Leaders are in a good position to understand local conditions and be aware of the difficulties a lot of families are facing. They can talk about and work with club members on ways to cut costs (e.g. car pooling to meetings; bulk feed purchases for club animal projects) and increase savings for themselves, their family, and their community (e.g. coupon clipping and redemption projects; collecting/recycling deposit bottles).
2. **Refocus traditional 4-H events** – With little effort, competitions can be reconfigured to highlight frugality and thrift as well as target skill development and creativity (e.g. Fashion Reviews can showcase members’ talents in clothing alterations, repairs, and recycling of owned or previous owned items).
3. **(Re-)Introduce home/self-sufficiency projects**– Projects that emphasized healthy and nutritious meal planning, budget stretching recipes, simple household and appliance repairs (e.g. fix dripping faucets or repairing frayed electrical cords), and vegetable gardening were once the foundation of 4-H clubs. With a little modernizing, these same projects could be presented with an eye toward contributing to and supporting the family. Members could showcase these newly learned skills by conducting demonstrations at community sites and settings.
4. **Teach income generating skills** – 4-H prides itself on the rich and varied array of skills it teaches youth. Club leaders can “brainstorm” with members about the money earning potential of their skills. For example, the bird house wood working projects can be sold at a flea market – so too the hand knitted mittens and socks! People are still going to want the services of a skilled babysitter, cat groomer, or dog trainer. They will also need help planting and weeding their gardens.



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