

## Piggy Bank Power

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### Money-conscious adults share the financial skills they were taught as kids

by Emma Johnson



You can read all the [Suze Orman](#) books you like, and perhaps you'll become one of millions who manage to turn their messy personal finances around. But research shows your chances of making sound money decisions as an adult are rooted in childhood experiences. In one 30-year [study](#) of 1,000 kids, Duke University researchers found that children who exhibit weak self-control are more likely to grow up and have myriad issues, such as criminal involvement or financial problems. In fact, by age 32, those who were considered to have poor self-control as preschoolers were less likely to save money, own a home or have investment funds.

We spoke to some money-savvy adults willing to share the fiscal lessons they learned as kids. They also explained how these skills have benefited them in their current lives.

#### No-Interest Lifestyle

Linda Carlson, 60, paid attention to her parents' independent car dealership, which held the contracts on the vehicles her folks sold. "I was made very aware of the cost savings of not buying on credit," says the self-employed marketing consultant and author.

As an adult, the Seattle resident has been very strict about not paying interest on purchases. "My husband and I paid off our mortgage early in our marriage," Carlson says. "We paid hundreds of thousands of dollars in cash when we remodeled. We are paying our daughter's college tuition one semester at a time, so no extra fees for a payment plan." As for Carlson's vehicle? She currently drives a 19-year-old BMW. "I have never financed the purchase of a car. I've always saved up for it." The savings associated with a no-interest lifestyle afforded her and her husband the comfort to pursue part-time jobs and self-employment when their children were young. "This has given us the freedom to be entrepreneurial and take risks because we reduced the number of fixed costs."

#### Opportunity Is Everywhere

Despite tough economic realities, Rivka Kawano learned as a 9-year-old to find financial opportunities. At that age, she was too young for even a babysitting job, and her parents could not afford an allowance. So to earn pocket money, Kawano, now 28, launched a bread-baking business and sold her goods door-to-door to neighbors. Today, the Grand Rapids, Michigan, mom of three boys owns a real estate investment company, a job resource website, and she blogs about children's picture books. "It can seem like there is no opportunity with the recession, joblessness and downturns everywhere," Kawano says, "but the lesson I learned as a child is that opportunity is everywhere."

#### Living Within Your Means

When Wendy Nystrom, 38, was a kid, her parents made her and her sister use bankbooks to track their savings and spending. This practice drove home her parents' lectures about living within one's means and delaying gratification. "Writing it down and tracking it made it more real," says the New York City insurance underwriter. When Nystrom got her master's degree, many of her fellow recent grads celebrated with shopping trips and lavish dinners. "I looked at my pathetic bank account and asked them, 'How do you do it?'" she says. "They *all* responded, 'I worked hard in college. I deserve to treat myself.' I opted out and actually alienated myself. I simply could not justify 'treating' myself when I couldn't pay for it at the end of the month."

Fast-forward five years, and those same friends were in heavy credit card debt, Nystrom says. Meanwhile, she has equity on a condo she owns and contributes to a pension and 401(k). Other than her mortgage, Nystrom has no debt. "If I cannot pay for the item at the end of the month, I do not get it—very simple," she says.

#### Saving, Saving, Saving

Helen Knight, 57, of Tampa, Florida, thanks her grandfather for teaching her the power of a dollar and showing her that money lessons can be fun. "He would take me to a drugstore," Knight says, "and give me a dollar and walk through the toy, book and candy aisles while talking about how much pleasure or time I would get out of something bought with that dollar."

He would also mail Knight a dollar each week to save in an old-fashioned money clip. "I was allowed to spend it any way I wanted," she says. "But I often saved it up until he would take me to buy a savings bond with it. He gave me a lot of praise and approval when I saved those dollars for a bond."

Today, Knight says she "gets a kick out of saving, whether it's putting a deposit into an IRA account or paying a little extra principal on the mortgage. It is something I like to and want to do, rather than feel like I 'have' to do."

#### Understanding Value

Bethany Mooradian, 35, learned the "value of value" from her mom. As a kid, she was an avid *Archie* comic book collector and never paid more than a dollar for a book. Then while antiquing with her mother at age 10, Mooradian came across an *Archie* book from the 1950s. "It was selling for \$10, and I immediately thought that it must be insanely valuable," remembers the Seattle resident. "I tried to convince my mom to buy it for me, explaining that it would be worth so much more later." Her mother's response? "She said, 'Bethany, it's only worth \$10 if someone is willing to pay \$10 for it.'"

Recently, Mooradian, a consultant to entrepreneurs, was working with a real estate client who could not fill vacant properties because they were priced above market. "My mother's words reminded me that any product is only worth what people are willing to pay for it," Mooradian says. "If the market had deemed my client's apartments a good value, they wouldn't be vacant. Just like the *Archie* comic would not have been available for sale had someone thought it to be worth \$10."

#### Knowing When to Spend

When Lynn Torre, 61, was growing up, she struggled with self-worth, and that included spending money. "I remember sitting in a restaurant when I was 15 years old," Torre recalls. "I always ordered the lowest-priced item on the menu. Then my 7-year-old sister proudly ordered filet mignon. I said to myself, 'Why does she deserve to have filet mignon?' Or more to the point: 'If I'm not good enough to have it, why is she?'"

Torre worked through that self-doubt, and as she came to appreciate that she did deserve fine things in life, she started to get them. Torre wanted to share this with other women, too. "You have to know your value as a person and fully accept that you deserve to be happy and secure," says the Glen Ellyn, Illinois, resident. This lesson has become the cornerstone of her financial planning business, which aims to help women improve their relationship with money and themselves while building wealth.

[Emma Johnson](#) lives in New York City, where she raises two children and writes about the intersect of money and life.