

National Financial Literacy Month Is Perfect Time to Start Getting Financially Fit

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H&R Block Awarding Scholarships to Financially Savvy Teens

KANSAS CITY, MO, Mar 31, 2010 (MARKETWIRE via COMTEX) --Talking to family members about the importance of financial planning and teaching kids money management can be tough, but taking small steps can make achieving a goal easy.

"National Financial Literacy Month is the perfect time to teach teens the importance of sound financial habits and introduce a new savings goal," said Dr. Brad Klontz, a financial psychologist who helps families overcome financial issues and provides advice to parents and teens through H&R Block Dollars & Sense(TM), a financial literacy program designed to give high school students real-world lessons in financial management.

According to Klontz, financial fitness is essential to a healthy, stress-free life, yet money continues to be the No.1 cause of stress in the U.S. To ease stress and get families on the path to financial fitness, Klontz recommends a few simple changes:

- Involve your family - Set up a monthly savings goal and collect family contributions in a see-through jar. At the end of the month decide together what to do with the money. Make it special, like a night on the town or a charitable donation. Rather than just talking about it, show children how to save and reap the benefits.
- Start the conversation - Begin by asking teens how they think people become rich. This should make for a lively discussion and provide a chance to introduce the concept of saving and an opportunity to discuss consequences of overspending.
- Make it a cash-only month - Studies show people spend up to 30 percent more when using credit cards. Buying with cash for a month and watching the money disappear will make you less likely to overspend.
- Track monthly spending - This is a critical step for everyone who is serious about taking charge of their financial life. Klontz encourages his clients to write down every purchase made and tally it up at the end of the month. People are often surprised at their spending habits, some of which should be changed immediately. Paying attention to the details will often decrease spending. "Small daily purchases like grabbing a coffee or lunch may seem insignificant, but they can add up to thousands of dollars per year," Klontz said.

Klontz says it's important to make financial planning a shared family activity. Many teenagers graduate from high school and head to college or the work force without a good understanding of budgeting or managing credit cards. Currently only 21 states require personal finance education before high school graduation; that's why H&R Block Dollars & Sense has donated more than \$1 million in personal finance curriculum to schools in the U.S. and Canada. And, during National Financial Literacy Month, \$50,000 in college scholarships will be awarded to students that demonstrate an understanding of personal finance skills through the H&R Block Dollars & Sense National Challenge, a school-based competition. To learn more about increasing teens' financial fitness, visit hrblockdollarsandsense.com.

About H&R Block

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