

Top 10 Tips for Being a Financially Responsible Parent

Even before the current economic crisis, millions of families have been experiencing financial difficulties. If yours is among them, there are many things you can do. In fact, Debtstoppers can assist you in many ways. But there's one thing that you as a parent going to have to do yourself. Only you can teach your kids financial responsibility.

To help you in this area, here's our top 10 tips on how parents can save money and raise their kids to be financially responsible.

1. Prepare a comprehensive budget and have every member of your family stick to the budget.
2. Prepare for emergencies. Cars break down, family members get sick – you know the routine. That's why you should make it a top priority to set aside funds that you can draw upon when unexpected expenses pop up.
3. Talk with your family to make sure your spouse and older kids are aware of your financial goals. Everyone needs to be responsible for their part in staying within your budget.
4. Don't spend more than you have just to keep up with the neighbors next door. They may not be able to afford the things they're buying either!
5. If you are paying for childcare – the single largest expense for most working parents – check out other options like subsidized daycare and babysitting co-ops. Perhaps you'd be better off financially if one parent quit their job or became a work-at-home parent.
6. Remember that you aren't being mean if don't buy your child the latest toys, enroll them in costly extracurricular activities during the school year or send them to expensive summer camps.
7. Never forget that you are your child's most important role model when it comes to financial matters. Your child sees how you handle your money, and they will base their own decisions later in life on what they learned in the home. Teach them good habits that will last a lifetime.
8. If your employer offers it, pay for childcare and unreimbursed medical expenses with pretax dollars using a flexible savings account.
9. Use your credit cards responsibly. Many families have gotten into a world of trouble by maxing out their cards and then making minimum payments each month. Besides that, when the parents fail to use their credit cards responsibly, they are teaching their children bad habits the kids will emulate when they leave home. Teach them instead to save their money for the things they want.

10. Give your children chores as well as an allowance. This will help them learn to appreciate the money they receive and use it responsibly.