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The No-Cash Allowance marks ten years helping kids manage money with pencil instead of piggy bank

A seven-year-old child who records weekly allowances as a number will make almost 900 deposits before high school graduation. This hands-on experience combined with subtracting each spending decision teaches kids the bottom-line value of their money.

(New London, WI, June 24, 2014) – “We’re using less cash than ever so let’s teach our kids how to manage money they can’t see or touch,” says Lynne Finch, author of The No-Cash Allowance. Finch explains how her strategy helps kids grasp the concepts of managing money as a number. “If a seven-year-old started with a no-cash allowance system in 2004, he would have 10 years of money management experience.”

To mark the 10th anniversary autographed copies of the book ordered from her website www.thenocashallowance.com will be discounted to \$10 with free shipping for the month of July. Bonus items include pencil and printed allowance logs.

Finch explains that having kids keep track of their allowance with pencil and paper gives them a visual understanding that money exists as a number. Kids deposit money as a number, but have the ability to withdraw as cash with the parent acting as banker. Seeing the balance change with each money event is a learning experience in itself.

Giving the child responsibility for tracking their money relieves parents of trying to remember allowance payments and eliminates confusion about if or when allowances were paid. In her book she explains how to transition to a digital spreadsheet, savings and checking accounts, all part of the process in helping kids be prepared as adults to manage money in the digital world.

According to the 2012 MasterCard World Beyond Cash Survey, three in four Americans (73 percent) report using less cash than ten years before. A recent survey by Bankrate says that 9% don’t carry any cash at all. Of those that do, more than two-thirds carry \$50 or less.

Kids see ATM withdrawals but don’t see deposits added as a number.

By 2012 consumers were visiting an ATM 7.4 times per month with the average withdrawal being \$60. At the same time consumers are relying more on credit and debit cards, sometimes using their debit cards to get cash back when they shop.

Kids see swiping but don’t see debits subtracted as a number.

A report by Javelin Research showed that in-store cash sales declined 10% from \$874 billion in 2012. In 2014 the company expects that cash will account for less than one-fifth (19%) for the first time ever. In a 2003/2004 Study of Consumer Payment Preferences 31% of in-store purchases were reportedly made with a debit card.

Kids don’t see transactions made without cash.

Parents get paychecks, receive tax refunds, and pay bills online using electronic payment systems. While these transactions show up routinely on banking statements, kids are not

seeing that money exists as a number. Kids also don't understand that money can be spent only in one form or another whether it be as cash, check, debit card, credit card, or through an electronic transaction.

Today's kids spend cash but don't connect cash to a number because no one expects them to. She suggests that parents eliminate cash payments of allowances and give their kids experience managing money as a number. "Give your kids a pencil and paper instead of cash," says Finch. "Let them be responsible for keeping track of their money."

In looking at the changes in the past ten years, Finch says it is reasonable to believe that the cashless trend will continue. Future advances in technology and information systems will create new and different ways to spend and receive money. Today's seven-year-olds can start getting hands-on experience managing their money as a number using the strategy Finch lays out in her book.

About

The No-Cash Allowance by Lynne Finch is an inventive, original system that is thoroughly explained and easy to understand. Children from pre-school through high school can practice concepts of debit card, ATMs, electronic transfers and credit transactions using their own money. Examples of dialogue between parent and child create a picture of real life situations. A no-cash allowance places continuing control of cash and non-cash money in the hands of the child to create a child-size version of real-life money management and responsibility that is similar to that of an adult.

Contact:

Lynne Finch

www.thenocashallowance.com

E-mail: LynneFinch@walnutrow.com

Phone: 920-982-1475

P.O. Box 25

New London, WI 54961