

## **Christmas Eve 2009: With the Family in Mind - Money Matters**

by vcmorris - Thursday, December 24, 2009

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If you want to get your child a gift that keeps on giving – consider a Roth IRA.

Funding a Roth Individual Retirement Account for your child or grandchild's future is a gift that will literally and figuratively be appreciated in the years to come.

I know. I have kids. Your son or daughter might *want* something digital or shiny for his or her next gift. But if you get them into the right frame of mind with a little explanation, he or she might actually *prefer* some financial security and learn an early lesson about the importance of *mind - over money matters*.

You plant the seed (by funding your child's Roth IRA), and then see how it (and your child's money intelligence) grows:

Say you open a Roth IRA for a 15-year old and fund it with \$1000. If the money in that account grows at an annual percentage rate of 8%, which is a conservative rate, that \$1000 investment will become about \$47,000 in 50 years.

The seed grows.

If you added another \$1000 to that Roth IRA over the next four years, it would make your total contribution \$5000. By the time that child turns 65 years old, their Roth IRA account will be worth more than \$250,000 - without adding another dime beyond the \$5000 you contributed.

Your child's money intelligence grows. It sees value *in* and the power *of* long-term compounding. This is a measureable *and* heartfelt return on your investment.

It's never too soon for children to get/be taught a tiny but firm financial grip! How you think about money usually rules what/how you do with your money for life. Change/re-calculate *your* relationship with money. Give *yourself* the gift of growing your best asset: your mind. You'll be amazed at the amount of random and intuitive money knowledge you already have!

Gift yourself a kinder and gentler financial frame of mind for the New Year: Mind over money matters. Because mind over money - matters. Think it. Teach it. Preach it. Show it. Grow it. Share it. Declare it. Use it. Protect it.

Here's to your health and wealth.