

A way to make your child listen to financial advice

By STEVE ROSEN
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When it comes to graduation gifts for high school or college students, many parents turn their thoughts to laptops, jewelry, luggage or cash.

But here's an idea that could lay the foundation for many years of financial security for your son or daughter: time with a financial planner.

That's what Michael and Suanne Yarbrough of Shawnee presented their daughter upon graduation four years ago from **Texas Christian University** in Fort Worth.

How cool was that?

"I've thanked my parents many times over," said Annaliese Mitchell, the Yarbroughs' daughter.

Mitchell, who said her parents taught her to be "money savvy," graduated from college debt-free and with no nasty credit card habits. But she had two wild cards thrown into the mix: She was getting married three weeks after earning her degree and was starting her first full-time job in the Dallas-Fort Worth area.

For help, her parents enlisted their own financial advisers, Richard Salmen and Samantha Kopek of **GTrust Financial Partners** in Overland Park. The planners have helped Mitchell and her husband purchase a new car, finance their first house, and become more diligent in investing and saving for retirement.

"I feel like I'm on top of everything," said Mitchell, 25, of Weatherford, Texas. Plus, she said, the financial assistance has "helped my marriage a lot because we don't fight about money."

Mitchell said she finds it easier to discuss money details with the financial planners rather than with her parents or in-laws. "The nicest thing about this is that I have a neutral person to give me advice," she said.

Michael Yarbrough also sees the wisdom of staying out of some of his daughter's money matters. "A professional can say something that she'll take to heart," Yarbrough said.

Indeed, Yarbrough said paying for financial advice for his daughter — and later an older son — has been worth every penny. As he sees it, the financial decisions children make early in life can affect the choices they have later about work, family and retirement.

Providing your child with a couple of sessions with a financial planner in many cases will cost less than an iPod. Many planners will waive the cost of an initial get-acquainted session. After that, planners charge either a commission based on the products they sell you, or a fixed-rate fee, which could be based on a percentage of your son's or daughter's assets. Another option: In some cities, area community colleges host programs with financial planners for free or for a small fee.

Kansas City financial planner Barbara McMahon, of **Waddell & Reed Financial Services**, works with several younger clients who started with her in high school or college. She said parents typically bring their children to the planning process in the hope they will learn about investments. Another motivation is that Mom and Dad want to make sure their children won't make the same mistakes they did, McMahon said.

One of her younger clients is John Thayne, 22, of Kansas City, North. Thayne's mother introduced him to McMahon to help him learn something beyond savings accounts. At the time, Thayne was about to graduate high school and start a grocery store job.

"I've always been taught to make your money work for you," said Thayne. "When I saved about \$1,000, I went to Barbara and invested it in an aggressive technology and science mutual fund."

Since then, Thayne has become highly interested in investing and has grown more confident in his abilities to make financial decisions. "I learned that you don't have to be a Wall Street person to know about the stock market," said Thayne, who's starting a new job at **Blue Cross and Blue Shield** of Kansas City.

Likewise, Amanda Riester began working with McMahon as a teenager at the urging of her grandfather and parents. "Being 17, there were a million things you could spend money on," said Riester, from Lansing, Kan. "But Barbara helped me figure out my priorities."

When some certificates of deposit matured, for example, McMahon suggested investing the money in growth-stock

mutual funds. Later, she advised Riester to open a Roth IRA and to start setting aside money for a down payment on a house.

Riester, 24, graduated from college in Arkansas about two years ago and recently returned to the Kansas City area to consider a nursing career after finishing a job as a nanny in Washington, D.C.

Seeing her investments grow has encouraged her to stick with her financial planner and to become more actively involved in her investments. In fact, it has turned out to be a life-changing experience.

"I feel I have a little bit of a head start," said Riester. "I want to keep this going to start preparing for the future."

What to ask a financial planner before hiring

- What are your areas of specialization, and what type of clients do you serve?
- How long have you been offering financial advice?
- Are you licensed or registered with the state or federal government? What financial planning designations do you hold?
- How are you paid for your services?
- Describe your approach to planning.