

## What Did You Learn About Money from Your Parents?



I have always been interested in how our parents have affected our financial biases. This week I read an article titled: [Want a Good Lesson in Financial Planning? Study How Well Your Parents Did or Didn't Do](#). The article brought up some interesting points. Such as:

- When we were kids, we assumed our parents knew what they were doing with money, simply because they had more money than we did.
- Parents (and all people) fall into one of four categories:
  - Some of our parents were poor and presented that way.
  - Some were wealthy and presented that way.
  - Some were wealthy and acted as though they had very limited resources
  - Some were poor, but tried to appear wealthier than they were.

Trying to appear wealthier than you are usually does not end well. It is much easier now, as an adult, to see your parents' financial wisdom and mistakes. Did they, or can they, retire successfully? If they were able to retire comfortably, without a pension, it's likely they made good decisions when you were a small child.

Do you admire and try to replicate the decisions your parents made in terms of investments, savings, debt, and material possessions? Or do you try to do the opposite of what your parents did?

One thing to consider is the world has changed since you were a child. From the latest available data from the Bureau of Labor Statistics, you and I spend 9% more of our annual total household expenditures on housing than Americans did in 1984. We also spend 72% more on healthcare, 11% more on entertainment, and 79% more on education.

The world has certainly changed, but prudent financial decision making has not. Were your parents good financial role models for you? And are you a good role model for your kids? Just food for thought.