Why prepare for financial literacy month

April is Financial Literacy Month. Financial literacy is so important to the health and well-being of individuals and of families that there is a special time that information is shared and encouraged.

So, with April fast approaching, why not start now. Just as we all have made our New Year's Resolutions for better physical health, we now have another chance to have better financial health.

Why think about financial literacy and why you should do something about it? According to the 2008 Financial Literacy Survey of adults, conducted on behalf of the National Foundation for Credit Counseling, Inc. and MSN Money:

—One in every 10 Americans with a mortgage reports being late or missing a mortgage payment in the last year.

—Seven percent of adults are either getting calls from collectors or seriously considering filing for bankruptcy.

—Only 59 percent of the young adults say they do not have any non-retirement savings. And though a majority is currently saving for their retirement, more than one-quarter are not.

—Almost half of those who closely monitor their finances are more likely to say they learned about personal finance from their parents or at home, underscoring the potential positive influence parents can have on their children financially.

—Only one-quarter expect their income to outpace inflation. And more than half of all Americans believe their income will shrink, not keep pace with inflation, or stay even.

The Hartford Financial Services Group, Inc. also discovered in their 2008 study:

—Fifty-five percent of parents with children aged 16-24 voiced concern over their children's ability to become financially independent without monetary assistance from them.

—Nearly 72 percent of the parents surveyed acknowledged they are their children's primary source of personal finance education, although 44 percent admit to needing more guidance on how to best teach their children the skills necessary to become financially responsible and successful adults.

Even more convincing is the Charles Schwab 2008 "Parents and Money" survey that revealed:

—Only about one in three parents (34 percent) has taught their teen how to balance a checkbook, and even fewer (29 percent) have explained how credit card interest and fees work.

—While 71 percent agree the best way for teens to learn about money is from guided, hands-on experience or their own example, only one in five parents (20 percent) involves their teen to a great extent in the family's budgeting and spending decisions.

—Ninety-three percent of American parents with teens worry their teens might make financial missteps such as: overspending or living beyond their means (67 percent), getting in over their head with credit card debt (65 percent), failing to save for the emergencies (60 percent) or failing to stick to a budget (57 percent). And a full third of parents (33 percent) anticipate their "golden years" will likely involve helping their kids financially.

On the more positive side, the 2008 study by the Boys and Girls Clubs of America and the Charles Schwab Foundation of teens participating in the financial education program Money

Matters found:

—Teens who reported learning a great deal about goal-setting were significantly more likely to also report they had saved money for something they wanted and then purchased it (79 percent), compared to those who reported they learned little or nothing about goal-setting (58 percent).

—Teens who reported learning about managing savings and checking accounts were more likely to report having opened both types of accounts (57 percent vs. 44 percent opened a savings account; 36 percent vs. 28 percent opened checking accounts).

—Those who reported learning about saving money were more likely to save regularly (72 percent vs. 57 percent).

—Teens who learned to track spending were more likely to report having developed a budget (50 percent) versus those who learned little or nothing (29 percent) and also more likely to save money to purchase something (80 percent vs. 60 percent).

Some helpful hints to get started, whether you are an individual or the head of your household, first, set long-term and short-term goals, like retirement or college education and buying a new car. Second, develop a budget looking at income and monthly expenses. Third, start saving something from somewhere. If might start out being pocket change, but it adds up over time.

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