

Ep43: Financial Literacy – It’s Not Just for Adults!

April 23, 2020

PATTI BRENNAN: Patti Brennan: Hey, welcome to the Patti Brennan show. Whether you have \$20 or \$20 million, this show is for those of you who want to protect, grow, and use your assets to live your very best lives.

Joining me today is Mac Gardner. Mac is also a CFP, and he brings to the table is something really unique. He’s written the greatest that I’ve read for kids to teach kids about money. Mac, welcome to the show.

MAC GARDNER: Patti, thank you so much for having me. This is great. Not very often you can say that you’re being interviewed by a hall-of-famer, so I can check that one off my list.

PATTI: Aw, well, thank you so much, Mac. That’s so nice. You, in my mind, are a hall-of-famer for the children out there who want to learn about money. I’m curious, tell us, let’s start.

Tell us a little bit about your background. How’d you get started, and what made you want to write a book for children?

MAC: “The Four Money Bears” books is actually my second book. My first book is titled “Motivate Your Money.” When I had my practice in Houston, it took me a few years, and I wanted to create something that would allow me to share what I jokingly call my Mac nuggets, or my little tidbits of being a financial adviser in the business for 20-plus years.

I wanted to be able to share some of this knowledge with my clients, who are adults. I wrote that book. I gave it to clients. I gave it to prospects. About a year into it, one of my clients came to me.

She was on the board of an organization in Houston that supports children of color. She said, “Mac, I love your first book. It would be really neat, though, if you could maybe make something for kids.”

She said, “We never really any sort of financial literacy or guidance growing up. Would you be open to creating something that a child would understand and a child would appreciate?” I sat, I thought about it, and took some of concepts from my first book.



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In my first book, I talk about the five steps to financial success. Plan accordingly, spend cautiously, save diligently, invest wisely, and give generously. Then I said, “OK, what could a child understand?”

Kids like bears, [laughs] so I created this book called The Four Money Bears. What it really does is it teaches children that there’s only four things you can do with money, spend it, save it, invest it, give it away.

PATTI: I just love that. It is such a wonderful way to communicate the four things that you can do with money in such a simple, profound way. You mentioned financial literacy. I don’t know about you, Mac, but that almost sounds almost insulting.

We talk about Millennials and the fact that Millennials have the lowest financial literacy rate ever, and that a lot of kids graduating from high school and college really don’t understand how money works.

I think it’s wonderful that you’re out there getting the kids at a younger age, at the elementary school age, in such a way so that it’s not so intimidating. How did you drill down on that concept? Is it something that you’ve been thinking about? Do you have kids of your own, for example?

MAC: Yes, I do. I have three little ones. If they were all here right now, and I asked them, “OK, kiddos, what are the four things you can do with money?” They say, “We know, papa. Spend it, save it, invest it, or give it away. We know.” [laughs]

The book, interestingly enough, is the story of me teaching my children about the four things they can do with money. We jokingly in our house call each other Mama Bear, Papa Bear, and the Baby Bears.

That was a factor in developing the storyline as well. What was really interesting was I would have clients come to me and ask, “How can I start the conversation?” Patti, it was, “How can I start the conversation?”

I started doing some research on my own and realized that an Oxford study shows that a child’s connectivity or awareness with money actually starts by age seven. I said, “OK, how can we put something together where it’s fun and easy for a parent to sit down with their child?”

Especially a parent who never got the financial literacy, or the financial knowledge, or financial guidance -- we’ve got to find a new word for that, you’re right -- when they were younger. How do we get them a tool to sit down with their little ones and start the conversation?



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I think that's some of the best reviews that I've gotten from folks is the tool really makes it easy for a parent with a young child to start the conversation.

PATTI: What I loved about the book, Mac, was the fact that it was truly a story, that the four money bears, they weren't doing it all correctly in the beginning. Even Spender Bear, that's obvious.

Spender Bear was spending all his money, but Saver Bear saves every dollar she earns. She's always got money in her piggybank, in her closet, etc., but she doesn't buy nice things or have much fun.

That's not OK also. There's a balance with that. Investor Bear invests all their money but runs into the same difficulties. Then Giver Bear gives it all away.

I love the fact that you integrated the four money bears and say, "Doing things all by themselves, in isolation, without consideration to what the other three bears were doing, doesn't necessarily create the outcome of a great life."

How you integrated that story to bring them together in such a way to create a balanced life, as it relates not just to money, but quality of life as well. I loved how you do that, and I think that's terrific how you can explain that balance to kids in a meaningful way that they can understand.

MAC: Thank you. The idea of a budget was something that I was trying to get across. I do something when I present the book to elementary school students. I do something called the \$100 bill challenge.

PATTI: What is that? I heard about that. Tell me more about that.

MAC: I was trying to find a way...I'm a huge fan of public speaking, and I call it the three Es of public speaking. You want to engage, you want to educate, and you want to entertain. I was looking for a way to try to grab these young minds and grab their attention.

I said, "If I bring out a \$100 bill, and I asked them, if I gave you this \$100 bill, what would you do with it?" I really didn't know what to expect, but an amazing trend started to happen. I would take the \$100 bill, and I would ask them, "What would you do with it?"

Hands would fly in the air, "Oo, ah," and, "Oh, I'd buy this," or, "I'd buy that," or, "I'd get this," or, "I'd get that. Pokémon cards, sneakers, or something. Then I said, "Huh?" Then there would be the one child that raised their hand, and they'd say, "I'd put it in my piggybank."

I said, "OK. I don't think you're being honest, but thank you for being different." What it



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showed me, Patti, over the long run – and I’ve done quite a few of these presentations – is that children are wired, almost programmed, to consume from a very early age.

PATTI: Boy, isn’t that interesting? That’s the influence of advertising, TV, and all that. I think it’s fascinating that that’s really what they were going to do with a \$100 bill.

MAC: They would consume. They would buy. The two things, what it showed through this experience, or through these various experience, or numerous experiences, is that children are familiar with the concept of spending and saving.

However, the other two functions, which are investing and giving, the sense of altruism, weren’t really present. The thought process is, “OK, if there are only four things we can do with money, but they know what two of the four are, this is a good time to at least put into their awareness what these other two functions of money are.”

What investing is, and why investing is different from saving. I would use the analogy of the \$100 bill and say, “If you went to a bank, and you put this \$100 bill into a bank, a year from now, you’d have \$103,” [laughs] especially in this interest rate environment.

Whereas investing, if you were to invest that \$100, a year from now, you could have \$200, or you could have \$50. That’s the difference, is that factor of risk. You can potentially earn a lot more, gain a lot more, but you can also potentially lose money.

I try to find ways to explain and introduce this concept of investing at an early age so that now, these kids can go home and say, “Hey, you know what? Mom, Dad, I heard about this idea, this other function of money that it can make more money over the long term.”

That’s something that a lot of these children probably never had, especially if their parents never received that guidance themselves.

PATTI: It’s interesting, because with my four kids, I tried to introduce the concept of delayed consumption. For them to imagine themselves, if they were six years old, were going through Kmart, and they would get what we call the gimmes.

Basically, we’d go through the aisle and say, “Mommy, can I have that?” I’d say, “Remember what the rules are. No gimmes.” I wanted to introduce the idea of the delayed consumption and to say, “When you’re 7 years old, if we don’t get this today, let’s think about what that could mean when you’re 7, 8, or 10 years old.”

Or, “Maybe when you’re 16 years old, like your other older brother, and think about maybe if we can save and maybe put this money into something, you could actually buy a new bike.” Again, adopting it to their future self and the importance of keeping that into consideration was really, really key.



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I'd love to tell you that it worked with all four of them...

...but it did have impact. They still remember it to this day.

Mac: One of the more powerful phraseologies or terms I've heard -- I actually heard this at a conference, the eMoney Conference last year -- an adviser with young kids said she doesn't say we can't afford, she says, "We choose not to spend it on this."

PATTI: Oh, I can't believe you...

MAC: To put that into your child's mind.

PATTI: It's so interesting, because I can't believe that you heard that at the eMoney Conference, because that's exactly the terminology I've always used. It's, "You know what? We could..."

Again, this is probably TMI, but growing up as one of seven children, to be perfectly honest with you, Mac, I grew up financially secure. There were a lot of things that we couldn't afford. I didn't want my kids to have that insecurity with money.

When we would go through those, the Kmart or what have you, I would basically say, "You know what? We could buy that today, but I don't really want to do that. We don't choose to do that. I'd like to save it for sometime in the future."

Then we get into that conversation about what they're going to be doing in the future, so we don't choose to spend our money, instead of saying, "We can't afford to buy that." It's OK in my mind for older kids to understand that there are limits to what a family can afford. At the younger ages, I think it's probably premature.

MAC: Agreed, agreed. I like the ability through this book to open up conversations that probably may not have been had. One of the best compliments I think I've ever received about this Four Money Bears book is from a parent reading it.

Actually, several parents that have said, "Mac, thank you for not making this book too kiddie. Thank you for making this something where a parent can get something out of it as well," while sharing the content with their kids.

We added worksheets in the back. There's a budget in the back. They're really neat tools that we've incorporated into it to really spur conversation and really make it an involved experience when talking about money.

PATTI: Mac, it's interesting, because you mentioned a parent talking to you about the book and how meaningful it was for her. We heard from people as well. Let's take a listen.



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“As a school librarian I’m always looking for ways that I can add to our school library collection both for students and for my teachers and the The Four Money Bears by Mac Gardner would be a great book to add to any library collection.” “The reason we are excited about this book is that it is aligned to the new math standards in the state of Texas and this is going to allow our students to be able to read about and learn about money in a different way.”

PATTI: It’s interesting, because hearing from those parents and understanding our parents, what we were introduced to. I think it’s just such an important thing that we begin to bring this down to that next generation.

Mac, we were talking about eMoney. I think it’s really wonderful that they brought you to their summit. To be perfectly honest with you, I know a lot of people at eMoney – Ed O’Brien, Jessica, and Celeste – they have a very high standard for their speakers that they bring to their summit.

Anybody that speaks there, they’re speaking to the top financial planning professions in the country. Now, you were actually one of those people that was invited to speak there, weren’t you?

MAC: Yes, it was an awesome experience. What I love about it is eMoney’s mission is helping people talk about money. Their leadership team has been so supportive of our children’s financial literacy mission that you mentioned.

Ed O’Brien, who’s the CEO, Jessica Liberi, who’s Head of Product, and Celeste Revelli, she’s a director of financial planning. They’re all true believers in the power of financial literacy. They work daily towards eMoney’s mission to serve their clients.

They approached me last year and asked if I would be open to them created a one-hour CFPCE course using The Four Money Bears. I thought about it, and I said yes, [laughs] I’d be more than happy, be elated to have that opportunity.

They said it would be in a breakout session, and I would present it at the summit in Austin. I’ll tell you, Patti, it was one of the proudest and most humbling moments in my career for several reasons. Number one, I don’t look like your typical financial adviser or CFP.

PATTI: Welcome to the club, my friend.

MAC: [laughs] Again, I don’t look like the typical adviser, but they asked me to speak and share this knowledge in predominantly white male and female audience. Here I am, giving this, sharing this knowledge, and providing the guidance that I think can help parents with young kids

The folks at eMoney didn’t care what I looked like. They just knew that I had created



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something that could help a lot of parents, and it would resonate with the advisers, as you said, that are some of the top ones in the country and in the industry.

That's really all that they cared about. That's what mattered to them. I felt very blessed to have that opportunity to present and work with eMoney to help their clients have a better conversation and talk about money.

It was an awesome experience, and they've actually asked me to participate in future engagements, webinars, so on, and so forth. It's fun to be able to go somewhere and feel that kind of value.

PATTI: It's interesting, because I'm also aware that you've actually been asked to be involved in the Fintech Bullpen, which is, again, a whole nother layer of opportunity that is being presented to you that isn't really often presented to anybody else outside of eMoney and the fintech world.

Can you tell us a little bit about what the goal is and what you're beginning to develop?

MAC: Sure. Folks who have read the book, they love the book. They've given it great reviews. Various states around the country, various advisers have utilized the book to help them.

One of the responses I frequently get is, "Mac, it would be really neat if there was a digital version of this. Is there an app for this? Are you working on some way to get this book out to young people through some sort of digital format?"

PATTI: Wouldn't that be awesome to have a gamification of The Four Money Bears? Wouldn't that be amazing, because kids love games. The idea that you're coming up with to digitalize the content and the concepts and make it fun for kids, it goes back to the three Es that you mentioned when you do public speaking.

You're engaging them in a way to make that learning more permanent.

MAC: Yeah. The University of South Florida, of which I am on the advisory board of their personal financial planning degree program, they were presented with this Fintech Bullpen concept that I approached them with.

They said, "Mac, this is awesome." The idea is to utilize the personal financial planning degree students and have them work collaboratively with the computer programming students at the University of South Florida, and make it a competition to get both worlds.

Get the fintech exposure for both sides and both students. Then I approached the leadership team with eMoney about this contest. Ed loved it, and Ed said, "We'd love to be involved," because they are also working on gamification, but they're targeting high school



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and college.

They really haven't had any concepts that target elementary school. Ed loved it. He said, "We're definitely behind it, and we're going to support it." Then there's a company in Florida called Synapse, where they actually host these types of contests.

PATTI:

Mac, why don't we take a step back? For the folks listening out there, let's explain what the Bullpen is. I have participated in them. They are so much fun. For those of you who are listening, it's basically a full day, and it's a contest.

You have an objective, a goal, and you break out in teams. It is unbelievable the ideas that begin to come out. I just got back from Australia and New Zealand, Mac, it was amazing. There was a great speaker.

The speaker said each one of us is about five percent genius. Einstein was 25 percent genius. If we get 20 people in a room, that equals 100 percent genius. That's the concept behind these bullpens, where we get people on teams, break it out, do the brainstorming, etc.

It is amazing some of the ideas that came out of the bullpens that I've participated in. Frankly, with eMoney, a lot of what we do with eMoney came out of some of the work that we did in the bullpens.

To take The Four Money Bears and apply that idea, I'm so excited about what that could do for our young people going forward and the impact that your book is going to make on children all over the world.

MAC:

I agree. I mentioned to earlier in conversations that, when I published this book years ago, I really had no idea of the journey it would take me on. This mission to really just educate the future generation...

I heard a wise, I think it was Confucius, that said, "If your plan is for a year, plant rice. If your plan is for 10 years, plant a tree. If your plan is for 100 years, teach children." My idea, this plan that we have, really is change the world and really change the way children look at money and how they are educated about it.

Ideally, we would love for the Fintech Bullpen to produce something or some things that we can provide to elementary school children, not just here in the state of the Florida, but across the country, and even potentially across the world.

I just feel blessed every day to help people as a Certified Financial Planner, and just work every day to help promote financial literacy and new ways to help expose children to making better financial decisions as a child so that they can practice healthy financial



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habits when they're adults.

PATTI: It's wonderful. Mac, since you brought it up earlier, you talked about diversity and inclusion in the industry. Tell me more about that. Anything, from your experience over your career as it relates to that, or are you really focusing more on The Four Money Bears and getting it down to the children?

MAC: The number one goal, of course, is to educate the children, but thank you for bringing that up. I don't know if you noticed, but the cover the book, four bears, they are all four different colors.

PATTI: I love that. Love, love, love.

MAC: [laughs] Two of the bears are boys, two of the bears are girls. It was a definite nod to diversity and inclusion. The four bears are four different shapes.

I wanted there to be a subtle, or maybe not-so-subtle, nod to the fact that our industry and the advisers in it does not represent society from a perspective of advisers that are out there guiding people that look a lot different than the industry.

I'll share a very quick story here. Years ago – you probably read investment news, but – I was reading through investment news when they introduced their first 40 Under 40. I was flipping through, and I was saying, “This is great. I'm glad that they're bringing attention to an industry that is in dire need of younger people to get in to help more people.”

I'm flipping through, and I did not see...I saw very few people of color. I reached out to the editors, and I said, “Hey, could we not find maybe one or two people of color that could be included on this list?”

They asked if they could interview me for an article. They asked the reason why I believe there aren't more people of color in the industry. I said, “Well, honestly, I think it's a lack of education.”

If a child or young person doesn't understand how many plays into their lives and the value of money, it's hard for them to then realize that this is an actual profession that they can help other people do this themselves.

Short-term, we want to help educate young people about what their money options are, what they can do with their money. Long-term, what we would love to be able to see through this book is an increase in more diversity and inclusion in the financial advisory space.

There are more people of color and more women that are becoming advisers and becoming



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CFPs.

PATTI: Wouldn't it be cool if those young people could look back to The Four Money Bears that they read when they were five or six years old and say, "I want to teach other people about the four things they can do with money"?

That leads them into, to me, one of the most rewarding professions out there. It just the greatest profession. What an impact that you have on so many people's lives. We get to do it. It's a privilege.

For me, I wake up every morning, and I think, "Wow, I get to do this." We're going through a tough time right now in our country and in the world. People are worried. People are scared. What a wonderful position to be in to be able to give them perspective, give them comfort.

Mac Gardner, thank you for doing all of the above for us today and for our listeners. You've made a huge difference for so many people. Before we end, tell us, how do we get a hold of this book?

MAC: Sure. The book can be purchased on Amazon, [laughs] like many things. You can get it on Amazon. Or you can go to our website at www.thefourmoneybears.com. On the website, you can purchase the book.

We've also included some neat tools. I've created Bear Bucks that parents can print off of the website, for those parents who are looking to start giving their kids allowances and looking for different tools. You can also print off the annual budget on the website as well.

Two spaces to check out, if you're interested, is definitely going on Amazon. Please leave a review. We're very blessed, very lucky, we've had all five-star reviews on the book so far. If you're looking for other tools to help promote financial literacy, you can go to our website, thefourmoneybears.com.

PATTI: A five-star review on Amazon is not an easy feat. Congratulations, Mac. For those of you who are interested, we will put all of that information into the show notes. Go to our website. You'll see everything in the show notes, this conversation, and the references that Mac just made.

Go out, get The Four Money Bears book. We're ordering hundreds of them to give to our parents and grandparents to give to the kids, to begin having that conversation. Mac Gardner, thank you so much. You are my hero.

You are such a thought leader for our industry. Thanks for taking the time today to talk with me and talk with our friends who are listening out there. For those of you who are



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listening, again, go to the website.

Get the show notes. If you have any questions, want to give us a call, please feel free to do so. By the way, if you have any other topics, anything else that you'd like to learn about, let us know. We do these podcasts for you.

We're really interested in making sure that it's information that you want to learn about. Until next time, I'm Patti Brennan. Thank you so much for joining us.

MAC: Thank you, Patti.



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