

*The local paper for the Upper East Side*



# Eight nights of financial gifting

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A new way of thinking about Hanukkah presents



Hankkah candles and gelt. Photo: Yvonne Esperanza, via flickr

When Judah Maccabee and his band of the faithful defeated the mighty army of the Seleucids and succeeded in rededicating the Holy Temple in Jerusalem, little did he imagine that centuries later we still would observe the Festival of Lights in commemoration. While many families these days choose to exchange presents on Hanukkah, traditionally parents give gelt — gifts of money — to their children, even if they are just the gold foil-wrapped chocolate “coins” from supermarket shelves.

For those parents or grandparents considering giving the gift of real money, here are some suggestions — one for each night of Hanukkah — that may just lead to a happier holiday:

First night: 529 plan. The 529 plan is one of the most popular education savings plans. With the average cost of a private four-year education just under \$200,000 and rising, it's a good idea to start saving as soon as possible. There are some restrictions but most 529 plans have no income limits, age limits or annual contribution limits. Although there are lifetime contribution limits, those limits currently range from \$235,000 to \$500,000.

Second night: A "job." We all know that money doesn't grow on trees. Does the child have a weekly allowance? I believe such funds, regardless of the amount, should only be given in exchange for some assigned task, whether that's clearing the dinner table or helping to shovel the snow. Having such a regular "job" can build self-esteem along with helping to teach the value of the dollar.

Third night: A beginner's book on investing. Many books are available for different age groups and different levels of experience. Reading and learning about money promotes financial literacy, with the ultimate goal of financial independence down the line.

Fourth night: Child's pick. Thinking about familiar companies, such as those that manufacture a favorite electronic gadget, and then buying even one or two shares of stock in that company is a great way to learn about the ups and downs of the stock market.

Fifth night: Tzedakah. In many communities, on the fifth night of Hanukkah children learn to make a difference by donating a portion of their gelt to a charity. This is an expression of the Jewish value of tzedakah, or justice. It may mean a donation, or it could be volunteering. Whatever the act, it plants the seeds for a routine of philanthropy.

Sixth night: Dividends. Even a small number of shares in a reliable, dividend-producing company can be fun for a youngster, particularly when the dividend check shows up in the mail. What to do with that dividend check can be another life lesson: Is it spent? Is it invested? Is it donated? Is it saved?

Seventh night: A silver dollar. A silver dollar can be a great vehicle for learning about inflation and the value of today's dollar versus the value of a dollar from years past. It can also spark the discussion of so-called alternative investments, whether that is jewelry, art, or a coin collection.

Eighth night: A bank account. What better way to teach children to be responsible for their money? They can deposit their allowance, birthday gifts, earnings from chores, and bar or bat mitzvah funds and watch their balance grow. Since children under the age of 18 may not sign legal documents, they cannot open an account for themselves. But parents can open one jointly as a custodial account.

As you prepare for this year's celebration, it might be good to think beyond the latkes and dreidels. Jewish holidays are the legacy we have been given by our ancestors. We too can leave a legacy for our children.

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