

**Orange County Business Journal
Keys to Wealth Management
February 21, 2011**

**KEYS TO
WEALTH MANAGEMENT**

Fifth Anniversary

Sponsored by



Camille Jayne

Matters at Hand
Helping You Go Forward™



Chris Lapple



Ralph Adamo



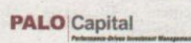
Joe Sweet



W. Henry Walker



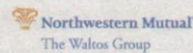
Nella Webster O'Grady



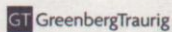
Timothy J. Kay



Bob Waltos



Michael V. LaBriola



Dean Andrew J. Policano



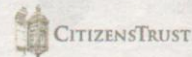
Marisa Alvarado



Daniel K. Walker



Chris A. Walters





F&M Farmers & Merchants Bank®

California's Strongest Bank®

Fiscal Responsibility - From Generation to Generation

W. Henry Walker, CEO of Farmers & Merchants Bank

Growing up, my dad taught me valuable lessons to help manage my spending money. He would always say, "Don't buy anything you absolutely don't need...and make it last as long as you can." He was very practical in his perspective of spending and wanted to ensure that his children understood the value of preserving their purchasing power rather than spending frivolously.

Now, as a parent to three teenagers, my goal is to provide my kids with the tools necessary to become financially independent as they journey into adulthood. I began emphasizing the importance of smart spending to my children at a very young age. My 16-year-old receives a monthly allowance so that she can learn how to spend over a period of time. Additionally, I have taken my two oldest girls on humanitarian trips to places like Peru so they can better identify with those struggling to make ends meet. These types of experiences help them understand the value of hard work and the importance of spending wisely along with investing in other people.

Teaching children how to be conscientious stewards of money is no easy task. Parents can maximize opportunities for their children to develop and grow into fiscally responsible adults by creating a financial framework that is established early in life.

•As soon as children can count, introduce them to money. Take an active role in providing them with information. Observation and repetition are two important ways children learn.

•Help children learn the difference between needs, wants, and wishes. This will prepare them for making good spending decisions in the future.

When giving children an allowance, give them the money in denominations that encourage saving. If the amount is \$5, give them five one-dollar bills and encourage that at least one dollar be set-aside in savings. For younger kids, a personal piggy bank is a good way to introduce the concepts of money and savings. An allowance is a good tool to equip children with first-hand money management skills, allowing them to:

•Become accountable for their finances. Children will be able to know the limit of available funds and think about cost before making a purchase, leading to a greater appreciation for what they buy.

•Set spending and savings patterns early. They will learn from their spending choices and you can later initiate an open discussion of spending pros and cons before another purchase takes place, addressing topics such as encouraging common sense when buying and implementing the "spending by choice" technique:

- Selecting at least three other items your teen would like to spend his or her money on
- Setting aside funds for one of the items
- Researching all the options and then making the decision to purchase one of the four items

As a child develops and grows into the tween and teen years, take him or her to the bank to open his or her own savings or checkings account. Farmers & Merchants Bank has a FDIC-insured, student-checking program that is specifically tailored for kids under the age of 24. Varsity Checking is an ideal way for your teens ages 12 to 17 to enjoy the convenience of a debit card, while you easily monitor their spending habits.



The Walker family with Fox News Anchor Christine Divine receiving the prestigious Lifetime Achievement Award in 2009 from the Ernst & Young Entrepreneur of the Year Awards in Orange County

For college-aged kids, opening a student checking account can allow for greater financial independence later in life. Even a joint account held with a parent can help a student build an established financial history that is advantageous for being a fiscally responsible adult. The F&M's Elite Checking account was created for young adults, ages 18 - 24, to establish financial independence while still being connected to you.

The two ways children will learn to manage money is through their own experience and the guidance that we as parents give them. Keep this tip in mind; establish a regular schedule to discuss finances and your child will be well equipped to become a responsible steward of money as an adult.

Varsity Checking



Elite Checking

To find out more or to open a student checking account, just visit an F&M branch near you or call (888) 804-7118

www.fmb.com

MEMBER FDIC