NOTES TO DAD

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FATHERING DURING THE IN-BETWEEN YEARS

Bookstore shelves are filled with books on the toddler and the teen years, but for some reason the 10- to 14-year-old seems to be overlooked. This is a very critical period for every child and I thought it would make a good topic for this month's column for dads.

I had the opportunity to interview two dads who have children of their own in this age group. Both are employed as school principals and work with these "in-betweeners" every day.

I asked them what they thought were the most pressing issues with this age group today. Their top three were "the lack of respect for others and the property of others," "the influence of the media on youth, resulting in 'adultified' interests too early in their lives," and "economic pressures on the family."

The economic problems being experienced by the family often mean both parents have to work outside the home and many times this results in significantly less supervision of the kids and more freedom to explore freely. The result is kids sometimes get involved in "adultified" activities during this free time and parents have no idea what is happening.

What advice do these school principals give to dads of "in-betweeners?"

Genuinely care about your child and be there for them. Take part in what they do, whether it is having a game of catch or working in the yard. Spend time with your kids.

Another piece of advice was to follow through on monitoring the young people — on where they are going and what they are doing. "Sometimes you need to call and see if a party is being chaperoned or an activity is being supervised," suggested one father.

Even the best kids don't want their parents to know everything and they may fail to give you some important details about what they are up to.

How about a dad who hasn't been terribly involved in his child's life up until now — what can he do? Again, the answer is to take time to be with the children — no excuses such as "I'm too tired," "have too much work to do," etc.

It is too easy to get wrapped up in our jobs and forget what is really important.

Here's a warning — some kids may not welcome your immediate involvement. You may have to be satisfied with quiet support: being there for them without being super-visible. Be attentive but not overbearing. Look for those opportunties when you can engage them in discussion about their lives.

And finally, I asked the fathers about the role a divorced father might play if he does not have custody of his child. They assured me that regardless of the hands-off attitude that the child displays when they see the father, they are usually eager for that contact.

One principal said he often has students tell him with great anticipation that they are going to "see their dad this weekend." The "tough guy" attitude is a defense mechanism and deep down all kids, just like the rest of us, want to be loved and have attention paid to them.

Another warning to divorced parents is "don't feel that every visit has to be a trip to Disney World." Many noncustodial parents shower their children with freedom and gifts. Not only is this inappropriate, it's bad for the kids and further severs the relationship with the ex-spouse.

In conclusion, both of the well-connected dads that I talked to pointed out that never before have kids needed the guidance of a caring adult like they do in today's world. Far too many devices in society today are counterproductive to raising responsible children.

As one dad put it, "The more liberal society is, the more involved the parent needs to be."

So dads, don't forget those "in-betweeners." Take some time today to listen to your young people and enjoy them while you can.

Public Policy Impacts Personal Finances

RUTGERS, N.J. — Public policy has a profound effect on the financial well-being of U.S. citizens. Tax laws, in particular, create incentives and disincentives for financial planning behavior such as personal savings. A case in point is tax policy related to Individual Retirement Accounts (IRAs).

In 1974, IRAs were established as part of the Employee Retirement Income Security Act (ERISA) to provide a retirement savings plan for workers not covered by an employer pension. In 1981, IRA eligibility was extended to all working Americans as part of the Economic Recovery Tax Act. The IRA contribution limit was also raised from $1,500 to its current limit of the lesser of 100% of earned income or $2,000 annually. The number of Federal Tax returns claiming an IRA deduction subsequently soared from 3.4 million in 1981 to 15.2 million by 1984.

In 1986, passage of the Tax Reform Act decreased or eliminated the deductibility of IRA contributions for higher-income workers with access to a qualified employer retirement plan. Between 1986 and 1987, IRA contributions fell by 62%. The number of Federal tax returns claiming an IRA deduction fell from an all-time high of 16.2 million in 1985 to 5.8 million by 1989.

A study conducted by the National Bureau of Economic Research found that the 1986 tax act discouraged more savings than expected. While high earners, as predicted, stopped contributing to IRAs in large numbers, the contribution rate of lower-income workers — who were unaffected by 1986 tax law changes — also dropped by 40 to 50 percent. Were it not for the 1986 tax law, U.S. personal retirement savings would undoubtedly be much higher.

Recently, the pendulum has begun to swing back toward creating retirement savings incentives. As a result of tax law changes attached to the 1996 minimum wage bill, married workers and their non-working spouse may contribute up to $4,000 annually, a maximum of $2,000 a piece, to an IRA beginning with the 1997 tax year. Previously, one-earner households were limited to a total annual IRA contribution of $2,250.

Over 20 years, assuming an 8% annual return, a couple could save about $80,000 more by contributing $4,000 annually, instead of $2,250, to their IRAs. The amount that can be deducted on Federal tax returns, however, still depends on household income and either spouse's participation in an employer-sponsored retirement plan.