Three ways to teach your kids to invest "smart" is something I take to heart because even though she's 22 years old, I still assist my daughter in navigating the financial landscape.

When I was a boy, my paternal grandfather - a depression-era blue-collar sort - repeatedly advised me to *invest smart, not stupid*. Fidelity Investments' recent move to allow 13-17-year-olds to open accounts and trade stocks and ETFs helped me realize how they may be the 'grandpa' of today where kids are left confused and on their own to handle a critical moment.

I give credit to grandpa for the inspiration, but candidly, he never really explained himself. How do I see it? There were snippets of driveby words, and occasionally, wisdom spilled out with them. Strange how much I looked forward to these moments because at least he was paying attention to me! And the greater the flow of homemade wine, so the volume of the education. After downing grandpa's brew, I get the volume thing.

***Invest smart, not stupid*, was heavy in the lesson rotation.**

It entertains me to recall grandma nodding positively in the background, although I don't think she knew what gramps was talking about. Perhaps investing smart sounded good to her because she was what I consider a good investor. Grandpa, not so much. He maintained most of the family's investment dollars in certificates of deposit. His stock investing was relegated to penny stocks, all losers usually touted by friends and family as the 'next big thing.'

Invest smart, not stupid, can be whatever you want it to be!

Over the years, I took his cryptic words to heart and formed my own definitions. *Invest smart, not stupid* became sort of a voice in my head, especially during times of distress and euphoria. When emotions are strong and fueled with money, the words take on a personal, greater resonance.

Overall, it could be a positive for teens to maintain their own brokerage accounts. However, if left with little guidance about investing smart, not stupid, it's almost like placing them on Main Street in a western town unarmed against the guys in black hats.

A wrong move, one negative experience, can make or break how your kids decide to invest over their lifetimes. That's why I created the following three ways to teach your kids to *invest smart, not stupid,* through what I consider *stupidly dangerous* times.

#1: Are you the proper and responsible pilot?

Kids watch your relationship with money. You don't think they observe what you do or hear what you say, good or bad, but they do. The foundation of their money scripts is laid by the people closest to them. My parents were horrific with money; we were fraught with financial insecurity. I learned what *not to do* by observing their debt and spending habits. I wouldn't have sought them as pilots to assist 'teen me' with financial decisions.

In the current environment where exuberance and excessive risk-taking have infiltrated every asset class, the question to self-reflect on is - "Am I the cogent, unemotional voice to help my children invest wisely and for the long term?"

Leave It To Beaver comes to the rescue!

On an episode of Leave It To Beaver (I kid you not), 'the Beav' and his brother become interested in stock market investing. Dad suggests a profitable, staid dividend payer - Mayfield Power & Light. Smart-mouthed friend Eddie Haskell recommends the 'zoomer' Jett Electric, a penny stock. Well, the boys listen to dad and buy a couple of shares (through dad's broker) of Mayfield for $25 bucks a share. The thing moves like a slug. Twenty-five cents up. Twenty-five cents down. Flat for days.

Meanwhile, Jett Electric takes off like a rocket which causes the boys to regret their decision leaving dad a bit dismayed how a company with no earnings can do so well. Ward Cleaver is also concerned about the impression his investment selection makes on the boys for the long term - especially when Eddie comes over and rubs it in - "If you listened to me instead of your father, you'd be in the clover today."

Ultimately, the brothers ask dad to sell Mayfield and move the proceeds to Jett. You can probably guess what happens next. Jett tanks. Mayfield continues on its merry boring way. Little did Beaver and Wally realize (and the audience until the end), dad had already dumped Jett and repurchased Mayfield. Naturally, the boys are relieved; father saves the day, and Beaver, with admiration in his voice, says - "You must be the smartest man on the planet, dad!" The end. Or is it?

Now, I don't expect any parent to be a Cleaver. However, if you're as carried away over Reddit bulletin boards, crypto, and short-term speculation as Eddie, how do you expect to be the proper co-pilot to help your kids navigate the current dangerously euphoric terrain?

Maintain an unemotional head, watchful eye, and explain the difference between gambling thoroughly and investing as best you can. If this is complicated, set a time for your children to speak with a trusted financial partner. Let them help with the responsibility because flying the investment plane alone is not a good idea.

#2: Teach the kids that investing is always homework first.

Investment decisions, especially the timing, are mostly far from perfect. I mean, ask the Cleavers! An investor can undertake thorough fundamental and technical analysis and still lose. A financial leap of faith happens with every trade initiated. Nevertheless, homework helps place greater odds in an investor's favor for the longer term. Kids get the concept of homework. Just observe the little ones as they wrestle with their assignments before bed.

You can't expect kids to undertake investment homework as comprehensively as adults. And candidly, in a roaring bull market, luck and a tailwind can overwhelm the relevance of the exercise. However, as a forever-learning moment goes, it's important to teach children basic due diligence. Today, with Eddie Haskells everywhere looking to cajole teens into taking their investing advice from Elon Musk tweets, it's more important than ever that kids embrace homework. But where do you start?

Three basic concepts can go over well. First, gather a list of products the kids like.

Have a conversation about the products and services they enjoy. Which brands are important to them? Certainly, some companies may not trade on the stock exchange; others may not be worth the money. However, the conversation and documentation is an exercise in discovery and ultimately a start to homework.

Building passion around the investing process is important. Begin with a dialogue around brand loyalties (and start at an early age). When I was young, I drove my parents crazy: I always ?needed? the latest Mattel?s Hot Wheels car or Hasbro?s G.I. Joe action figure. I would only eat Kellogg?s Frosted Flakes, not the store brand. I had to have the bacon with the Indian profile on the front (I can't recall the brand).

Sidenote: I don't suggest parents consider market index or exchange-traded funds. Frankly, kids learn nothing from indexing. The concept is too nebulous, too dispassionate. Teens can't relate. The consideration of actual companies will enhance their attention. If they're using the products or see you use them, there is 'skin in the game' to keep them engaged.

Second, start homework with the concept of sales.

I?ve found kids relate well to the concept. Whether you?re talking lemonade, girl-scout cookies, or school-related fund drives, children have an uncanny ability to understand that sales are positive and can lead to personal rewards. It?s the same for a business. Generally, the more goods or services sold, the more favorable it is to the stock price over time. It's not difficult to find a company's gross and net revenues and year-over-year changes (are they improving or decreasing?).

Third, watch your words!

I will never forget when my uncle, who was a specialist on the New York Stock Exchange floor, explained how I had the ability to own part of a large company. I was hooked. Wait: A poor kid from Brooklyn can own a piece of McDonald?s?

The language used around stock investing is important to help the kids gain a healthy perspective and a sense of pride in their selections and the investment experience overall. The phrase ?buying a stock? is confusing compared to ?ownership in a company,? which in essence is what you?re trying to help the children embrace.

The concept of ?stock? is nebulous for the younger ones to comprehend, so it?s best to keep the language simple. Using words to connect ownership to investing creates a long-term investor mindset. You don?t want the children to focus solely on stock price movement; they should strive to build discipline by focusing on the long-term value of a business ? and all because you provided the perspective.

#3. Guide them overall to own quality investments.

If they're asking questions about speculative, ethereal fantasy coins, don't discount the curiosity. There's also nothing wrong with exposing them as long as the difference between speculating and investing is clearly understood. Create a rule that works for your family. Ask your teen how much he or she is willing to lose. If it isn't 'everything,' then so-called meme stocks and crypto may not fit.

I spoke with a willing mom who needed to brake on how much her 15-year-old daughter wanted to invest in Ethereum. Daughter wanted all her savings in crypto - $500; mom helped her settle on half, which was a good decision as they purchased at $4,100 back in mid-May. As of this writing, Ethereum is $2,628.38.

The other $250 was invested in Hasbro (HAS), the toy and game company, at the same time. Short term, the stock investment is working, and crypto being speculative, has greater gyrations than expected. The difference is mom prepared her daughter for the risk, and instead of being turned off to investing, her teen is not dismayed by the loss and is keeping it in perspective.

When we teach our kids, we get better too!

Interestingly, many parents find it awkward to discuss stock investing with their children. Some adults don?t feel confident in their abilities to do research. What I?ve discovered is the lessons with kids actually help less confident parents improve their own game and become better stock investors.

Through this period where young people are willing more than ever to invest, it's important for parents to exhibit their best 'Ward Cleaver' and guide them properly so when the next downturn occurs (and it always does), the event doesn't turn off a new generation to stocks and perhaps even more speculative ventures.