

Teaching your children about money



Don't put off teaching your children about money. In the long run, it will benefit you and them.

Here are some basic things you can teach from an early age.

Encourage your children to save for things they want. Try to make it fun – consider incentives and rewards, but do what you feel comfortable with and can afford.

Use everyday encounters to help children learn about money. Make informal money lessons from visiting a money machine or opening bank statements or bills. Don't ever assume children will pick up the most basic facts on their own.

Endless cash at money machines. To prevent children thinking automatic teller machines are an unlimited source of cash, show them withdrawals on your statement.

Explain interest. Children need to know that you can earn interest by saving and that you pay interest when you borrow.

Be aware of money personalities. Encourage your children to be aware of the relationship they are developing with money – are they more inclined to spend or save? Different personalities may require different approaches.

Talk about money with your children. It's from discussions about subjects like "How much money do you make?" or "Why can't I have one?" that

children learn their most lasting lessons about the value – and the values – of money.

When money's gone, it's gone. If your child's spent all their money, but they still crave an expensive toy, don't buy it for them. Children should understand that when money is gone, it's gone. Next time they may just make better choices about what they spend their money on.

Be consistent. If you've made a rule or an agreement about money with your children - be decisive and stick to it!

Keep records. Encourage your children to keep written records of income and expenditure to get into the habit of account keeping. Show them yours.

Plan for education. Try to save money so that you can afford your child's education through life.

Many parents underestimate the expense.

Find out what's happening at school. Schools also have a key role to play in encouraging financial awareness.

The small lessons you teach your children about money now, will go a long way in helping them plan and make good financial choices in the future.



Member of the Global Group

