



MONEY LESSONS

Teaching your children about financial matters can be daunting. A recent US study reveals for example, that parents find it easier to talk to their children about saving, spending and earning, but avoid talking about certain 'off-limits' topics such as family finances, parental income, investments and debt.

Here are a few suggestions of good opportunities or 'teachable moments' that make it easier to teach your children about finances. They may just thank you for it later:

Pocket money day

Parents should never underestimate the value of teaching their children to save:

- It drives spending behaviour that is forward thinking, which will come in very handy one day when these little ones plan a family of their own
- Saving leads to the opportunity to teach the discipline of budgeting.

First salary or part-time paycheque

This 'teachable moment' is great for teenaged children. They may be tempted to blast their first earnings on all the things mum and dad would not or could not buy them. Your child should feel the joy of being rewarded for their hard work. This milestone gives parents the opportunity to empower their children by contracting them to a reward system, for example:

- If you save a certain amount of your salary (pocket money) each month, I will match that saving and help you open your own bank account. We can deposit your savings into your account for you to use later or whenever you choose.

This is also an excellent opportunity to help your children to learn the principle of interest on the money they deposit. This type of contracting allows your child to learn to be responsible for managing their own finances. It also allows you to partner with your child in securing a bright and sustainable financial future.

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