

Teaching kids the secrets of financial success

In an increasingly digital world, the value of money can be a difficult concept for children to grasp. Here are some tips for helping your kids and grandkids become wealthy and wise.

When you were young, do you remember standing next to mum or dad at the corner shop and watching them count out notes and coins to pay for the bread and milk? This was a valuable lesson about the purpose and value of money.

Fast forward to today – few corner shops exist and the days of counting change are almost over. When our children see us pay for something at the shopping centre, it's likely to be with a piece of plastic – or even by mobile phone.

That's why it's now more crucial than ever to consciously teach your children and grandchildren about money: how to spend it and how to save it. Here are five ways to do it.

1. Help them budget and save

Many children believe parents have an endless supply of money – which is why it's so important to talk to kids about money from an early age. You can start by discussing your own household budget and explaining how you manage costs like weekly grocery shopping and phone bills. If there's something your child wants, like a new soccer ball or item of clothing, work out a budget so they can save up and buy it. Then reward them by taking them shopping.

2. Give them pocket money

Pocket money is one of the simplest and most powerful ways to teach children the value of cash – which is why it should be earned rather than given freely. Whether it's payment for completing chores or a reward for behaving well, children will understand very quickly that money has value. You can also separate their pocket money into portions for spending and saving, so they'll learn how to put money aside for the future.



3. Set up a bank account

By setting up a bank account for your child, you can teach them the basics of everyday banking. It's worth discussing the statements with them when they arrive – not only so you can explain what each part means, but also so you can check their progress towards their savings goals and praise them as they reach each milestone. You might even open a separate savings account to help making saving fun and easy.

4. Make money fun

Learning about money doesn't have to be another chore: there are plenty of games you can use to teach kids financial literacy. From a young age, you can play-act spending situations with your kids, like pretending to 'shop' with their toys or using food items in the kitchen. As your children get older, these games can become more advanced. In fact, one of the best ways may be through playing Monopoly – which you can use to teach more complex concepts like rent and taxes.

5. Surf the net

The internet is a treasure trove of information on all things financial. Here are some of our favourites:

- **MoneySmart** – packed with online resources and activities for children of different ages
- **CommBank Youth App** – teaches real-life money skills to under 14s
- **Kidspot** – a popular online parenting magazine with games and ideas for finance education
- **Bankaroo** – a fun virtual bank for kids to learn about saving, spending and budgeting.

Talk to us

To explore the financial strategies available to help your children or grandchildren, speak with your financial adviser.

Speak to us for more information

Speak to us if you would like to understand more about how this information may impact your financial situation. Please contact our team on (07) 3217 2477.

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