



HOW TO TEACH THE KIDS HOW TO SAVE

A wise man once said “Give a man a fish and you have fed him for today. But teach a man to fish and you have fed him for a lifetime.”

This is exactly how I feel about kids and money. Teach them how to save and they will be able to look after themselves financially.

Over the past few decades there is no doubt that kids have been spoilt rotten as parents have tried to provide a better lifestyle than what they enjoyed themselves.

But has this good parenting been to their detriment? Too often I am hearing stories about older parents helping out their grown children with payment of credit card debt, personal loans and the like.

Will the kids ever learn? Will they always rely on their parents to bail them out?

Piggy banks rule

I love piggy banks as a means of teaching children to save. The smart kids will know to bring it out when visitors come by. I prefer the ones that cannot be easily accessible as this will stop the kids – and their parents too – from easily raiding the funds. You are never too old to have one either!

Pocket money

A great way to teach a child the value of money is to give them pocket money. They must do a few chores to earn the right to it. The first few weeks they will spend it at the start of the week but with time they will learn to budget for the week and make it last.

Give an incentive to save

Why not match your kids savings dollar for dollar? Yes it might cost you a bit in the short term but I would rather that than

Don't bail them out

I know it's your darling little girl and you just hate it when she gives you those sad eyes and says that she needs your help with a few bills. Don't fall for it. If you let down your guard now then they will do it again. They will never learn unless you give them a lesson. It is bit like riding a bike. Yes they will fall off a few times but it is best to learn the hard way.

Be a role model

What a better way to show a kid how to save but to demonstrate with your own savings habits. Engage them in your own family budgeting and let them see how hard it can be to save for cars, holidays and education.

Prevention is better than cure

The best advice that you can give your child is to talk about credit card debt being a taboo like smoking, alcohol and drugs. It is important that you stop them from applying for their first credit card.