

Why Should Children Learn About Money

As a group, discuss why it is important for children to learn about money at a young age. You may ask the following questions to get the conversation rolling.

Where do children learn about, get messages and attitudes about money?

- Parents/carers
- Grandparents/other older family members
- Siblings, cousins
- Friends
- Adverts, TV, magazines, billboards, internet etc
- Trips out
- School
- Play

It is no surprise that parents have been found to be the most influential in a child's understanding, behaviour and attitude towards money. This means that it's a great opportunity to start thinking about what we can talk about, show them, and ways our children can learn about money.

Why is it important for children to learn about money at a young age?

- How we are with money as adults is formed by what we see, learn and do in childhood
- Our attitudes to saving, our ability to save, and if we view money as something to be worried about can be in place by the age of seven
- Parents play the most important role in helping their child to develop the skills they need, so that how they manage money doesn't hold them back when they are adults
- Children need to see how money is used, understand the choices that have to be made with it and have the opportunity to practice with some of their own money
- The Money Advice Service finds that many of those who end up in bad debt problems didn't have the chance to practice with money as children. The first time they manage their own money is when the stakes are much higher, and the consequences of mistakes are more severe
- Some parents think that they need to 'shield' or 'protect' their children from money but this will actually cause their children more problems in the long run
- In the short term, children who learn these skills may be less likely to pester parents which reduces stress for parents.

MADE OF MONEY

What kind of habits, skills and knowledge can children learn for managing money?

- To be able to wait for things
- Saving for things they want
- How to make choices and explain them
- To understand they cannot get everything they want
- Understanding need versus want
- Keeping money safe
- Budgeting i.e. planning how they will spend their money
- Spending less on things (turning off lights, buying cheaper items)

Why would we want to plan what we teach rather than making it up as we go along?

- Traditionally parents have taught their children about money when the opportunities arise. However money is now less visible (i.e. using cards, spending online, not going into banks), meaning fewer parents are talking to their children about money.
- There are new ways to teach your children about money to help them now and in the future
- We can plan what we want them to learn rather than just reacting to situations
- We can plan household discussions around how we spend money
- We can make sure what we teach them is appropriate for their age
- If we are worried about talking about something or about conflict then planning conversations can help us feel more confident
- It may be easier to talk about family beliefs around money this way

Planning what we teach helps us to pass on our values around money and explain what is important to us. If we want our children to be good savers we can talk about why we would want to save and ways to save. Remember they may not see us save money day to day.