



How to Teach Your Children to Save Money

Age is just a number when it comes to being financially literate. You can never be too young to learn money management skills and the benefits of valuing money. With the end of the festive season and school having started, it is an opportune time to teach your children about savings. The responsibility of teaching children at an early stage on the value of saving money falls on parents and guardians. Though some concepts of savings are difficult for kids to understand, there are however simple ways to teach them lessons about money management that are simple enough for them to comprehend. This includes simple ways of incorporating money management related lessons in games and activities that are easy for your children to learn the importance of balancing spending and saving without them feeling bored or confused about the subject.

Here are some ways to teach your children how to value and save money:

1. **Buy and play money management related games.** Board games like Monopoly or apps on your phones are a great, enjoyable and interactive way for children to learn about basic money management skills without feeling bored.
2. **From their spending money for lunch or snacks every week,** help them to learn how to budget their spending throughout the week and balance their expenditure on food and snacks versus choosing to bring lunch from home to save extra money.
3. **Stick to a standard time and date each week or month** when you give your child their allowance. Giving your children their allowance in the same frequency will help them prepare and get accustomed to standard paydays in the working environment later on in their life. It will teach them to budget and how much to save up for their goals.
4. **Provide them with supplementary money for doing household chores.** This is a great way to teach your children the importance of the fruits of hard work. Not only does it build their work ethics but it also provides them with extra cash with which they can practise their decision making regarding their spending and savings.
5. **Ask them to tell you which toy they really want.** Asking your children about a favourite video game or toy that they want and showing them that they can save up for it for a particular period will teach them to manage and save their spending money.
6. **Have separate jars to represent different accounts.** Ask your child to organise their funds into different jars representing their varying goals or expenses such as “Saving”, “Snacks”, “Movies”, and “Emergency”, etc.
7. **Motivate and support your children in their financial journey.** As adults you must always remember that saving money is difficult even for adults so you may wish to keep an eye out and always check up on your child’s savings habits. Do not give in to their tantrums when they ask for that “special toy” which they cannot afford or decide to give up saving for. Encourage them instead and let them learn that saving money is

a difficult but rewarding process. It is much better for your children to understand and grasp this basic fact now rather than later.

8. **Set an example.** Your children learn best from the examples you set for them. Remember if you set a strong example, your children will follow suit. Show them how you manage your money by taking them grocery shopping and explaining the choices you make with your purchases. Have them see you make a monthly budget for yourself and take the time to have little “money” chats with them every now and then to keep the subject well and alive in their minds. Your children will benefit from seeing you do such simple things and this will help inculcate a positive outlook on savings in them.

Children absorb whatever is taught to them, especially at a young age. It is never too late to start teaching your children how to value and manage money. Inculcating a savings culture in them will enable them to be financially responsible and have a proper approach to managing personal finances as they grow up.