Simple habits to help drive your children’s behaviour with money

13 April 2021 – Supporting your children with their physical, emotional, social, financial and intellectual development from a young age is critical before they mature into adulthood.

Raising children is very rewarding but it does come with its fair share of challenges. “I am motivated by a famous African proverb that ‘Train a child the way he should go and make sure you also go the same way’. This is the cornerstone to enjoying parenthood and the reason that I have become intentional about what I teach my child including their behaviour with money,” says Aneesa Razack, CEO of Share Investing at FNB Wealth and Investment.

Razack recommends the simple habits below to help drive your child’s behaviour with money, adding a bit of fun and creativity along the way. “Being creative in your money management lessons will help in driving the importance of money to your kids and this will also help them remember in years to come,” says Razack.

1. **Talk to your children about money**
   This is the first step in helping your children understand the concept of money or money management. Use practical day-to-day scenarios and try not to overwhelm them with information.

2. **Show your children how to map out a budget**
   Involve your children when you put the monthly family budget together. According to Ester Ochse, Product Head, FNB Money Management, “A great start to help your children track where their money is going, is by having an up to date budget. Your children’s budget should include their savings, expenses and those events that they enjoy doing like going to the movies, purchasing toys, books etc. This will be their ultimate blueprint which will help guide you through each month and year.”
Through this process you can help teach your children the difference between needs vs wants. This will help in demonstrating value for money and it will also help them decide if they should purchase toys, sweet or if it should be included in their savings budget. Try to strike the balance between show and tell, coupled with fun visuals to illustrate the importance of a budget.

3. **Start a coin collection or coin jar**

A very traditional way of saving but it’s a great way to help drive your child’s saving and money behaviour by teaching them the value of money. Motivate your child to start collecting coins, storing them in the glass jar and keeping record of his/her savings through a money journal which can be updated on a regular basis. If they are older, you can go through the money journal and help them understand the value of their savings over time. To give your children an overview of the origin of money you can visit the South African Coin Mint Museum.

4. **Make savings a family project**

One of the easiest ways to get the savings project started is with their pocket money or their monthly spend allowance – if your budget allows. Set goals and encourage each family member to save up for your family project – such as a Mother’s Day, Father’s Day, or birthday gift for your siblings. Savings don’t have to be for something specific all the time. You can even save and contribute towards a winter soup drive for the disadvantaged. This is also a great time as it allows everyone to bond as a family; whilst learning about the value of spending money wisely.

5. **Help your children open a bank account or an investment account**

Encourage your children to put their money into a savings account. You can help your child or teenager track and make sure their money is safe. Another worthwhile recommendation is to get your teenager exposed to start investing in Unit Trusts, Exchange Traded Notes (ETNs) or shares for as little as R10 from global brands such as Apple, Amazon, Facebook, Microsoft, Alphabet (Google), Netflix, Tesla, Coca Cola, and McDonalds. Through ETNs, your children can get exposure locally to US stocks on the JSE allowing them to have access to a variety of wealth creation assets which they
can acquaint with a young age for their long term goals and this will be beneficial in propelling their investment journey.

“Instilling healthy money management behaviour is important for your children and yourself. It not only lays the foundation for the future but it’s an incredible journey that you can build on today and for many years to come,” concludes Razack.