

**PARENT TOPIC 11**  
**MONEY - LET'S TALK ABOUT IT**

# Talking to children about money

**Some ideas for engaging children at home with money matters:**

## **Suitable to discuss with children aged 5-12.**

**Getting to know money** - Identify the differences between coins and notes. Allow children to pay for items, calculating together the change and what it could look like in coins and notes.

Talk about purchasing items without cash, how items are paid for and where the money comes from. Remember children often see their parents pay with cards and not cash.

**De-mystify money and financial terms** - talk about credit, debt, deposit, withdrawal etc and how the use of money has changed since you were young. Remember money is more invisible now. To children it appears to come out of a wall or machine at the swipe of a card. There are now less direct dealings with banks that our children see compared to what we experienced. (Refer to the glossary of financial terms (*Handout 6*))

**Pocket money** - Whatever your position on pocket money it is always a good idea to talk to your children about it - even in their first few years at primary school. We know that they will hear about pocket money from other children at school. There is no right or wrong position on pocket money but once a family decision has been reached its important to stick to it.

Families consider whether pocket money should be based on doing chores or not. You can encourage children to save by matching savings or adding interest.

**The Gift of giving** - Families sometimes choose to set aside money or time for charities. E.g. Christmas is often a time where stores have gift buying programs that make it a more involved activity for the child who can select an item for purchase to donate to another child.



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## Suitable to discuss with children 8-12

**Understanding the value of money** - Explore the differences between what they need and what your children want depending on what you can afford. Our needs are what we must have to live (e.g. food, housing, clothes etc). The things that we want make life more comfortable. Talk about making choices and the costs of those choices when buying things e.g. packing a lunch from home rather than buying takeaway, choosing brand name clothes over less expensive alternatives

**Budget habits** (How families pay for what they need) - Talk about budgeting - children can plan their own birthday party with a fixed amount, or make some purchases for clothes or similar. Help them plan a savings program - think of ways to earn money, and save money for gifts.

**Talk about a saving project** - Start children on a saving project - something with a goal and a time frame. Agree how they will earn or save some money, then set up an account for them and work out a way to reward them if they save regularly. Consider matching what they save.

**Help children to understand bills** - Talk to your children about the bills you receive regularly so that they understand what you as a family have to pay e.g show them a water or electricity bill as they show energy usage between bills. Discuss costs as well as potential savings that could be made if changes were made at home e.g shorter showers, turning off lights.

## Shopping at the Supermarket

Set an amount of money for children to purchase items at the supermarket for school lunch or recess and get them to select these items within the amount. This gives them an understanding of the real cost of items and how to make financial choices based on a budget.

OR

For primary students let them purchase the items needed for their favourite family meal (e.g. spaghetti, homemade pizza) with a realistic budget. Encourage them to compare the costs of alternative choices/brands.

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**Some other ways to talk about money at home with our children are to:**

**1. Talk to other parents:** Talk to other parents at school and discuss what they say to their children about money.

**2. Talk to children** about where your money comes from and try and make money more visible for them. *MakingCents* for students discusses limited family income and impacts on family income.

**3. Needs not wants:** Talk about what the children want and then what they think they really need. *MakingCents* has specific lessons on the effect of advertising on needs and wants.

Challenge what they say they want - discuss the advertising they see, and discuss the claims that advertisers make, question what they are really being sold.

**4. Value for money:** Compare products - both of you can do a check list on one product - what makes one brand seem worth more than another? - shop around, compare prices, and work out what each brand offers. *MakingCents* for students has lessons about the value of trendy t-shirts and joggers.

**5. Saving:** Talk about ways to save for what children really need by:

- planning ahead,
- putting money aside each week or pay day- and start up their own savings account,
- lay-by things that children want,
- match what they save, for something they really want.

If they buy something from tuckshop... ask them to keep the change... even if it is only 50c... show them by adding up what saving 50c a week can work out to over a year - about \$25.00.

*MakingCents*: Using money, has lessons on saving pocket money.

**6. Helping others:** Talk about helping others with money or support (could be relatives or friends or fundraiser at school). Sometimes we make sacrifices to help others... tell them about a situation where you have done this for someone, someone has done it for you, or you have seen or heard about other people.