Money Wise Week 2

This task would have been a homework task under normal circumstances.

Every family has their own approach to finances and the ideas below are merely suggestions to help you. Please choose the ideas that you feel you want to discuss with your child. I liked the idea of the jam jars as a visual tool to explain saving and spending but there are quite a few ideas to choose.

Needs and Wants – a video link to this topic is on the children’s page.

This week try to set some time to talk to your child about needs and wants. We have done some work on this in the class in the past and the children have a good grasp of this concept.

The recent food shortages and self-isolation focus the mind on what really matters. If your children are fed-up, discuss the difference between needs and wants. When times are tough, we have to prioritise spending to cover essential needs, rather than the nice-to-have.

Draw up a snack list

If you’re being eaten out of house and home with constant demands for snacks, make it educational. Put together a price list and give your children a daily budget. You might choose to set lower prices for healthy options or food that needs using up. It all helps with teaching kids to add up their purchases, budget for different choices and realise that money can only be spent once.

Bored? Try a board game

Unstick your children from their screens and dust off a board game instead. Monopoly is brilliant for learning about property purchases, rent, mortgages and going bankrupt, and the Junior version is thankfully short and sweet.

Make a meal of it

Give your child a budget for a fun family meal. Ask them to plan the menu, write a shopping list and work out what they can afford to buy, based on the prices at whichever supermarket you use for online deliveries. Point out how to check the price per kilogram or per item, to identify cheaper options. Next challenge is to book a delivery slot …

Set a savings goal

Even if children can’t get to the shops, they might still want to order online, use gaming credits or pay to download films. Teach delayed gratification by encouraging them to set a savings goal and showing them how to reach it faster by earning extra cash. “Must have” items may become less urgent if they have to fund the purchase themselves.

Pay for chores

List jobs that need doing and what you’re prepared to pay. This helps children understand that money needs to be earned and doesn’t grow on trees. Even younger kids can help by setting the table and keeping their bedrooms tidy. It’s up to you if you make pocket money dependent on helping around the house.

Encourage a mini-entrepreneur

Keen to declutter with everyone at home? Motivate your children to identify unwanted toys, books and games by promising them the proceeds from listing stuff on eBay or other selling sites. Get them to calculate how much they could pocket after selling fees and postage costs.

Convey compound interest

The coronavirus provides a chilling example of exponential growth curves. For a less scary way to illustrate the power of compounding  – how the value of interest paid on savings accrues over time – ask your child if they would rather be given £1,000 a day for 30 days, or start with a penny and double it every day for 30 days. Which one would leave them with more money? Work it out at 10-day intervals, then ask if they want to change their answer!

It’s good to give

When times are hard for so many people, encourage your children to think about causes they would like to support. Help them put their money where their principles are, whether that’s shopping from local companies, buying items for a food bank or donating part of their pocket money to charity.

Get ’appy

Save by smartphone, by using an app like RoosterMoney or Gohenry. You can arrange regular pocket money transfers, set savings goals, list chores to earn extra and create save, spend and give categories. Both apps offer debit cards with parental controls, so your children can learn how to spend money safely on plastic.

Jam Jars

If you give your kids pocket money or they have money for birthdays, get them to set up a jam jar system to organise their cash. A simple system would be a jar for small purchases like magazines, sweets, small toys or activities. Give them another, slightly bigger jar for treats they can’t afford straight away like video games or larger toys. Let your kids divide their money. That way they’ll start to understand money is finite, instant reward vs. saving as the levels go up and down, and how to prioritise what they spend or save.

Let them make mistakes

You may disagree with your children blowing all their cash on Haribo/Fortnight/Roblox etc…But letting them make money mistakes is all part of the learning process. As Louise Hill from Go Henry says ”Much better to make a £20 mistake aged 7 than a £2,000 mistake aged 27.”

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