

THE NEW AGE PARENTS E-BOOK SERIES

*How To Raise A*  
**MONEY-SMART  
CHILD**



*What are the three most important money lessons to teach your kids?*

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## 3. Empowering Your Child To Be Money-Savvy

As a parent, do you have the mindset, habits and skills to raise your child to be money-savvy?

You can start by teaching three important concepts, says Ernest Tan, Founder and Director of Jopez Academy and author of 'Raising Financially Savvy Kids'.

### LESSON #1: SPENDING

Parents need to be proactive when it comes to the topic of teaching money.

From as young as 2 years old, children learn almost everything from mimicking their parents, and this includes how you manage your money.

There are many moments in your daily lives that you can explore. A trip to the supermarket to buy groceries shows your kids how you spend and handle cash.

Give your child an idea of your thought process before you decide to buy something. You can do this by talking aloud and asking questions as you're shopping. "Is this something we really, really need? Is this cheaper if we buy it from the market?"

It's also important to talk with your child on the difference between a need and a want. Is buying a set of erasers from the bookshop a need or a want? This will help them in their decisions on what to spend on.

### DO THIS!

Bring them with you to the supermarket when you go grocery shopping. Give them \$2 and let them decide what items to buy. Talk about the items your child has selected; are those items needs or wants?



### LESSON #2: SAVING

Saving instills patience and responsibility.

Encourage your child to save by setting goals. Ask them to set a goal (i.e. to buy a toy), but make sure it's also something affordable within their range, because it may get frustrating if they can't afford it for months.

As they grow older, you can inspire them to set long term spending goals for something more expensive.

The concept of delayed gratification is enforced when children go through the process of thinking about what they have to give up in obtain a bigger ticket item. For example, if your child has a habit of buying a snack after school every day, he may decide if he would rather save all that money on snacks to buy that toy he is eyeing instead.

### LESSON #3: SHARING

Giving or sharing is often neglected. But this is an equally important habit to instil at a young age. It builds a sense of gratitude and generosity.

According to developmental psychologist Marilyn Price Mitchell, children who perform acts of kindness experience increased wellbeing, popularity and acceptance among peers, which led to better classroom behaviour and higher academic achievement.

Have discussions and talk about charity work with your child. Bring them to do voluntary work or when you make a donation. The more

you expose your child to acts of generosity, the more this practice of giving and sharing becomes familiar to them.

### WHEN CAN I START?

**AGE 3 – 4 YEARS OLD:** Children are able to start grasping the concept of money. Read stories with themes of sharing, spending or saving. Learning also needs to be visual, hands-on and fun. You may introduce the concept of Money Jars at this age.

**AGE 5 – 10 YEARS OLD:** You can start to teach more complex money concepts. It is also the best time to teach them how to manage their allowance money when they go to Primary School.

### LEARN THROUGH PLAY!

Kids learn best when topics or subject matters are fun, colorful, engaging, challenging and rewarding. **MONEY JUNIOR**, a preschool financial literacy program, is developed for children 5 and above. This 2 to 4 player educational game helps players to reflect on their money attitudes.



You can order the Money Junior board game [here](#).  
Enjoy a \$20 discount when you use the coupon code **TRAP**.