

Talking Cents

Fielding the barrage of 'why can't I have...?' questions from your kids can be both difficult and draining, especially when money is tight. Rasheda Khatun, financial and life planner, tackles this contentious issue and talks about why it's important for kids to understand the value of money from an early age.

Kids are always saying 'Peter has an iPad and an iPhone. Why can't I have one?' Or, 'Fahim's mum bought him the latest Ben 10 Big Chill and it wasn't his birthday - you are so mean.' More than likely, your brood go to school with kids who probably never have to question how a bill is to be paid or where the money comes from. As a result it can be difficult to make your kids understand that money has to be earned and budgeted before it's spent. Of course, trying to explain that to fun-sized little ones is easier said than done!

Once your child has an understanding of wanting 'things' because their friends have them, it's time to become more aware of what you are teaching them about money. Instilling the value of money and how it is earned are fundamental to your child's understanding and it's never too early to start the process. The tools you provide them with now will help build the foundation of their own financial future and shape the decisions they will make later in life.

The first thing to note is that it's normal for your child to want what their school friends have and it's normal for you as their parent to want to make your child happy. Being surrounded by kids who come from wealthy families who live in an indulgent environment will naturally spike higher desires in your child, no matter what your parenting approach to materialistic things is.

So, where is the best place to start? Right now is as good a time as any! I've put together a few tips to start you off in the right direction. What's important to remember that there are no hard and fast rules, you just need to apply a bit of common sense and be clear in your own mind of what the value of money is to you before trying to instill it in your child.

Be open and honest. Let your child know where you are in the range of wealth amongst other families. Explain that some families have more money to spend than your family and some others have far less.

Share your situation with them - and all the things you need to purchase with what you receive. They can then grasp that things are budgeted for. Explain how you allocate money for them and their toys. Explain you can't always say yes to items they want and when it is a no explain why. You



might say, 'we have enough for this but not that' and if like many children your child wants the entire collection of action figures, ask them to make a choice.

Explain that everything costs money. Use simple examples like the food they eat. When you're at the grocery store next show them that different items have different prices. Talk about value and quality. Ask them to choose between brands and if they choose the cheaper brand allow them to get another item with what they saved.

Let them pay for items. Try to carry the right change and let them hand the money to the cashier. They will see

that items are received in exchange for money.

Demonstrate having to wait for things they want. If there is a particular toy they want, work out with them how and when they can get it, show them where it will come from. You will not be able to stop your child from wanting what other kids have but you help them to understand how to get what they want.

If you are in the store and they have a tantrum because they cannot get what they want, remain patient. **Refrain from saying no and try 'not right now' instead.** Let the moment pass and let your child get back to a place of understanding. When you feel they will

listen, explain and demonstrate some of the earlier tips.

It's not just one conversation but an ongoing dialogue and it will take time. Playing games based around money, like Monopoly, is a great way to get them to feel the experience. Practising the above will not only help your child appreciate the toys and gifts they have, it will facilitate their understanding of what it is to spend within your means. Ultimately, they will learn the value of money and the importance of budgeting for what you want. These are money skills that will serve them for the rest of their life.

For information on money management or to contact Rasheda, visit www.edwardskhatun.com