

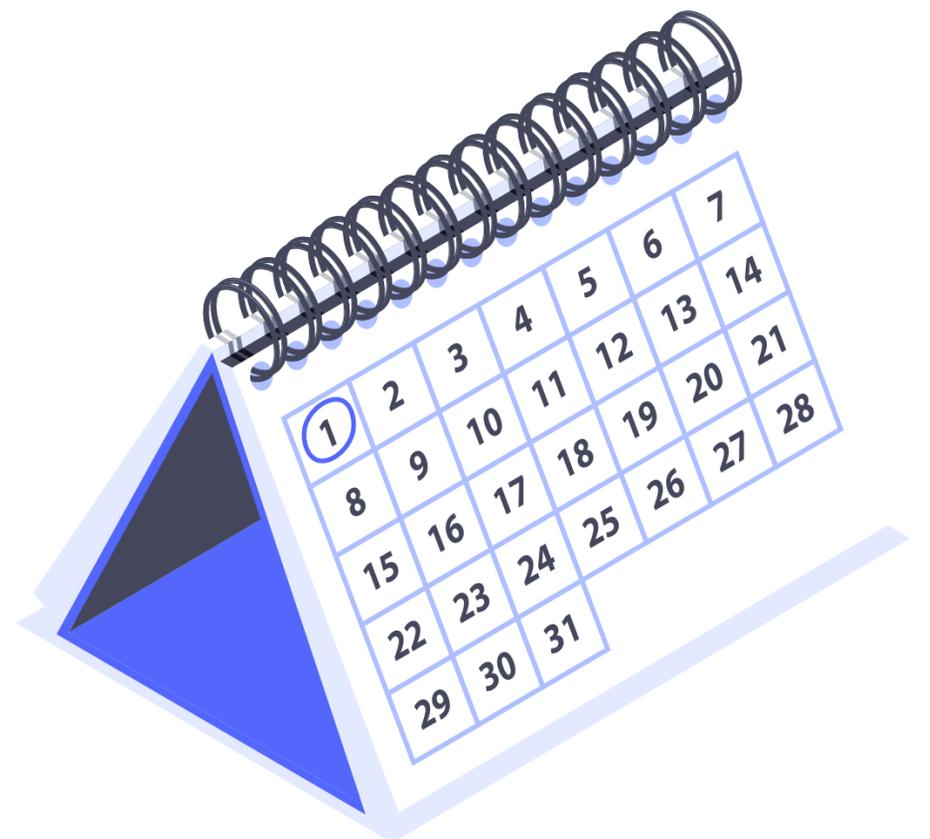


How to teach your children financial literacy?



Give monthly allowance

Set up a monthly allowance for your children and let them decide what to buy and how much to spend from it. Add extra once in a while in terms of rewards and recognition and increase yearly within reason (just like an annual raise at a job).



Play strategy games

Board games like Monopoly, Game of Life, Business, Payday, and Stock Exchange can effectively impart a variety of tips and teach concepts related to money. Strategy board games such as Settlers Of Catan, Splendor, and Cacao are great for teaching investment skills.



Set goals for savings

Discuss wants vs. needs with your children. If they want an expensive toy, they will have to save to buy it later. This will not only teach them the art of saving but also to keep patience and not rush to have the things they desire.



Have review sessions

Ask your children to write down everything they spent in a daily diary and review it at the end of every week/month. This will help them understand how one high expenditure can impact the weekly/monthly budget.



Learning while shopping

A fun yet healthy habit is to take your children grocery shopping regularly. Before going shopping, make a list and ask your children to make one too to avoid overspending. While at a mall, it's important to not give in to your kid's whims and fancies. Help your children weigh all the factors that go into a purchase decision. This will be a crucial moment to search for discounts or wait for a sale or save to buy that item later.



Be open about your own finances

For true financial understanding, you need to be open with them about how you set your monthly budget and keep aside savings to run the household. If you are not comfortable sharing the exact numbers, you can talk in percentages. This will help them value and understand money in a more holistic manner.



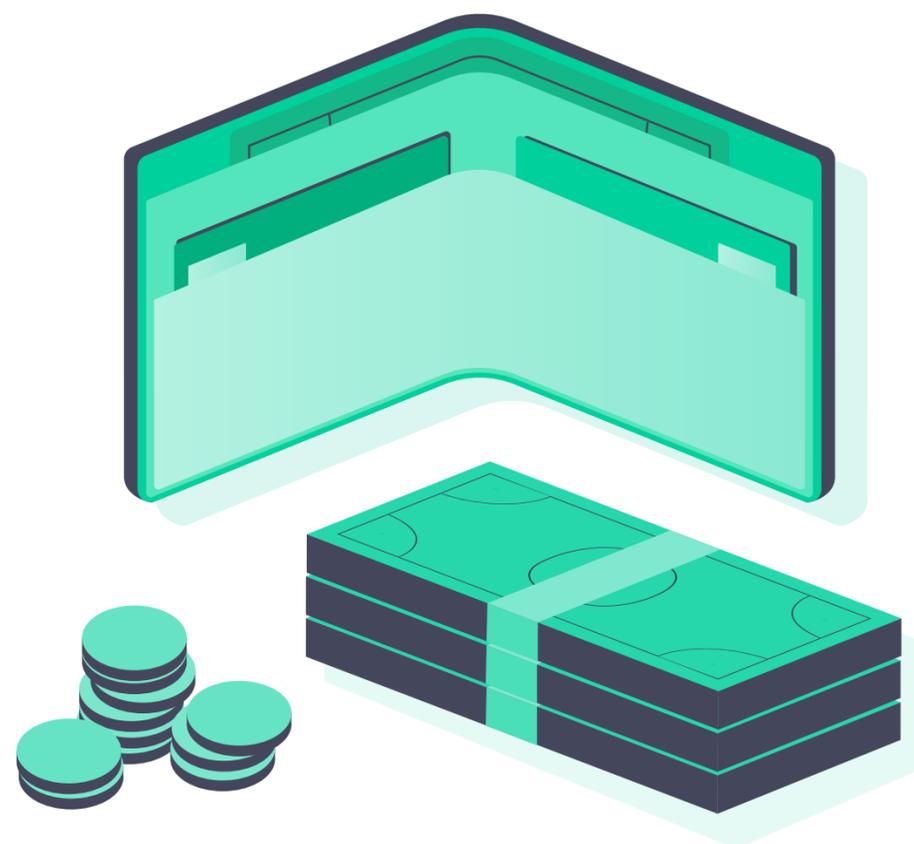
Start a savings account for them

Many banks have the option for a child-friendly, zero minimum balance account. Enroll your kids for one and help them see their money grow over time. Teach them how a bank works, discuss the concept of interest, and how banks pay us for saving money.



Bonus: Teach them about assets vs. liabilities

An important factor that will help your children stay away from being in debt is learning the difference between what makes them earn money vs. what makes them spend money. Learning this simple difference at a young age can have a huge impact when your children start evaluating big purchases in the future.



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easy.



Groww