



Teaching children the value of money

'Train a child in the way he should go, and when he is old he will not turn from it.' Proverbs 22:6



As we bring up our children, there are many opportunities to communicate Godly principles that will stand them in good stead when they are older. One such practical area is whether to give them pocket money and, if so, when should we start and how much should we give? As soon as our daughter started to recognise the value of different coins in her maths lessons at school and add up costs and the change required we realised it was time to decide what approach to take when it came to pocket money.

So why is giving pocket money a good idea? A child needs to realise that money only goes so far, that if we want to buy one thing then we may not be able to afford something else or we may have to save up in order to buy a larger, more expensive item. Giving pocket money provides an opportunity to train a child to handle money responsibly. If a child makes bad decisions with money, it's tempting to bail him out and give him some more money if he has spent it all; however this does not teach him to be a good steward. Being shown how to manage his money will teach a child basic budgeting skills and also the need to look after things properly to avoid having to spend money on replacing them if they are broken or treated carelessly. I can still remember my Grandad, who was particularly careful with both his possessions and his money, saying, 'Money doesn't grow on trees you know!'

So how much should we give? Should we give a fixed sum or should the amount given be based on some sort of reward-based system? The amount will vary according to the age of the child and what each family finds appropriate and affordable. Some parents think that giving a fixed 'flat rate' will help a child to manage his money better as he will anticipate how much he will get, and then be able to plan ahead and budget his spending, whilst also learning that he is expected to give a helping hand around the home without being paid in return for doing so. Other parents may argue that pocket money has to be earned and be given to reward work done well. We found a two-fold approach of giving a regular sum, and then earning extra on top of that really worked for our family. The children recognised that being part of a family meant that they had certain responsibilities such as keeping their rooms tidy and feeding their pets, but additional chores could receive a financial bonus, giving them opportunity to earn some extra money for special occasions such as Christmas. My children still laugh at the amount of money they once earned as extra spending money for a much-anticipated holiday. One morning, when all three of them were being a bit boisterous, I packed them off into the garden rashly announcing that I would give them 1p for each daffodil head that they dead-headed. Off they went, only to return sometime later with overflowing buckets gleefully announcing that they had each picked in excess of 900 deadheads! I hadn't really thought through just how many daffodils we have, nor the fact that to verify their claims I would have to sit and count them all! I took their figures on trust and coughed up the money – and they were thrilled!

How should we encourage our children to use their money? We have the opportunity to teach our children how to spend wisely, how to save, how to be generous with their money, to give to others and to the Lord's work. A younger child may need some guidance with saving a set amount over a few weeks in order to buy something specific. I can remember one of our boys wanting to buy a toy combine like the one his Daddy drove at harvest. His birthday had been and gone and Christmas was too long to wait. We worked out how many weeks it would take him to save up and what things he could do to earn extra money. I can still remember his big smile when he handed his hard-earned cash over the counter in the toy shop. He valued that toy all the more because he had bought it himself. As



well as saving up for something specific like that, we can also encourage our children to save a bit of their money for the future, perhaps in a savings account, rather than spending all of it on themselves as soon as they get it. Some parents reward saving by telling a child that if they save so much they will add to that figure on top of their regular allowance.

It is important to teach children to be generous with their money. As Christian parents, we introduced the idea of tithing and helped the children, even from a young age, to work out 10% of their money which then went into the Junior Church collection box. I gave our daughter a notebook in which she drew columns and worked out that if she gave 10%, saved 20% then she still had 70% left to spend. Being a generous little girl she often gave some of her remaining money to a worthy cause and always earned extra before Christmas so that she could buy special gifts for everyone. One of her brothers on the other hand was much better at saving and would squirrel away his money until we couldn't believe how much he had amassed! We still tease this same child who went off to his Primary School Christmas Fair with a bulging purse, bought each family member a 5p gift from the white elephant stall and returned still with a substantial amount for himself!

One final consideration is whether to take pocket money away from a child as a punishment for bad behaviour. Whatever line you decide to take, it would be important to weigh up the particular circumstances and discipline the underlying attitude. One approach is to make it clear in advance that if a chore isn't done, or is done with bad grace, then there would be a financial fine, however another parent may tackle this differently and issue another sanction or punishment.

As parents, we have a natural desire to be generous to our children. We want good things for them but equally we don't want to spoil them. We want them to know the value of money but also the value of hard work; we want them to be good stewards of their money but also to be generous to others. Giving pocket money can be an effective tool in training our children 'in the way they should go' which will stand them in good stead in later life.

Claire Sillett