



Managing Your Money: Raising money-smart kids

Good habits start at home

By teaching good habits at home, you can help your children become money-smart.

Research has shown that by the age of seven most children have grasped how to recognise the value of money and to count it out.¹ They are also likely to understand that money can be exchanged for goods, as well as what it means to earn money and what income is.

Learning the value of money

You can teach the concept of earning money by providing an income in the form of pocket money for jobs around the house.

It's important to talk about the different amounts of money that are awarded for different types of jobs, as this will raise their awareness of the value of different types of work.

Teaching smart savings skills

You can teach your kids positive savings skills by making them wait until they have saved enough money to buy a toy. Think about using a savings chart so they can see how much they have saved and how much further they have to go.

If your child is into technology, there are some apps available to help them watch their money grow.

Involve your child in your weekly shop. Encourage them to help you write the list of what you need, and ask them to compare the costs of items that are on sale, deciding which size packet to buy, and how much money to spend in total.

You don't have to be a financial whizz to teach these skills - just involving your kids in everyday money decisions can model good money habits so they become financially capable adults.

Learn more at [westpac.co.nz/managing-your-money](https://www.westpac.co.nz/managing-your-money).

¹ "Money and Advice Service (2013), *Habit Formation and Learning in Young Children*. Retrieved from <https://www.moneyadviceservice.org.uk/en/static/habit-formation-and-learning-in-young-children>".

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