

Amy Koit

KIDS MONEY HABITS



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| Editor | Stephen Lake |
| Interior design | Eva Gomiscek |
| Cover design | Bogdan Matei |

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Preface

Some people ask about my credentials to guide parents to be intentional about teaching their children about money. More specifically, they want to know if I'm a financial planner. I am not a financial planner. I am many other roles – a lawyer, an accountant, an educator, a writer – but the most important role I bring to what I do is being a mother to three young children.

Financial planners create ways of achieving goals, usually with longer time-frames, often years. This is done after obtaining a lot of information about the client – age, dependents, income, expenditure, assets, liabilities, financial knowledge, risk profile and a lot more. This is not possible in a book, and in any case I am not a financial planner.

Instead, I help parents in their financial parenting journey, with a plan to guide parents to be intentional about teaching their children about money. The goal is financially literate children. This is not something that can be easily measured or something that has a specific time to achieve. In fact, financial literacy is a goal that really has no end because children will continue on their journey to become financially literate adults. Adult children may then seek the advice of a financial planner to achieve their financial and life goals.

Financial planning differs from parenting. Most financial planning skills have limited bearing on teaching young children about money. For example, would a six year old be interested in how much tax he has to pay when he earns money from chores?

Parents are the most qualified people to give their children financial training for two very good reasons – young children have a close relationship to the parents and the parents are available every day. Children naturally look to their parents for guidance in many parts of life, and learning about money is just one of many.

Parents know best how to teach their own children and financial parenting works best when left to the parents, with guidance when needed. Rather than being told what to do, all we need is some guidance from other parents who have gone through the same process and have given a lot of thought into what works and what doesn't.

We don't need to be a financial planner to cultivate good money habits in our young children. As parents, we already have the financial parenting qualifications to teach them about money.

The challenges of parenting

Parenting has always been challenging, but being a parent in the 21st century has its own unique challenges. Never before have we had a world that is so connected. The pervasiveness of the internet at home, work and life has made it more difficult for parents to monitor the information that our children receive. Social media has a large influence on our children's view of what is and is not acceptable. As marketers move into the online world, rules governing traditional advertising are no longer effective. The availability of easy credit allows more people to buy more of what they want now, without having to earn the money and save first.

Parenting young children is exhausting work. There are many competing priorities that parents must juggle when it comes to raising children. On the schooling front, there are priorities to

teach our children to read, write and do mathematics. On the life skills front, we are striving to ensure we build our children's resilience, combat bullying and teach our children many social skills such as making friends, team work and taking turns. We are also constantly on the look-out for cyber-security issues.

With these competing priorities in raising young children, it is no wonder our children's financial literacy is not even on many parents' list of priorities. We simply don't have any more capacity to fit it in.

After reading this book, many parents will realise that our children's financial literacy doesn't have to be another item to add to our list of priorities. All we have to do is be intentional in teaching our children about money. This means having frequent money conversations as part of the family's conversations, knowing the purpose of such conversations and how each conversation fits into our children's overall financial literacy journey. This book provides the plan for parents to know where each conversation fits into our children's overall financial literacy picture – it is a step towards building our children's understanding about money.

There is no better time to start than today. Follow my journey on the Kids Money Habits website (www.kidsmoneyhabits.com). Better yet, share your journey with me. I want to leave you with a quote that has often reminded me of my vision and purpose in writing this book for you:

*Train up a child in the way he should go;
And when he is old he will not depart from it
~ Proverbs 22:6*

Raising financially literate children – one habit at a time.