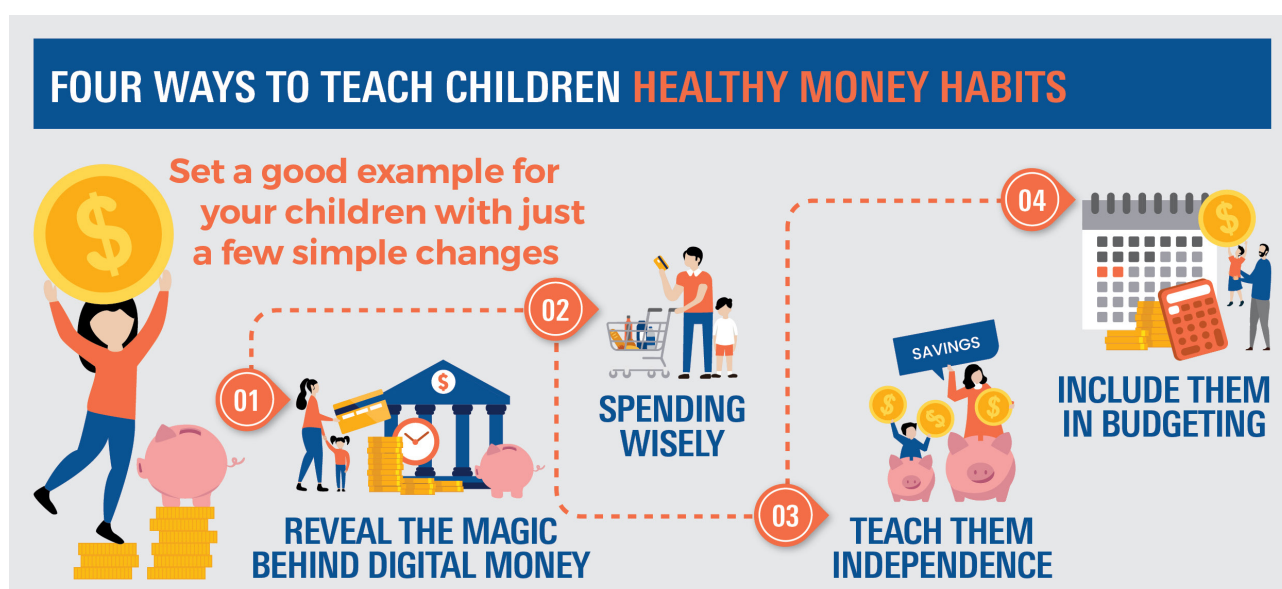




Four ways to teach children healthy money habits

Set a good example for your children with just a few simple changes.



As a parent, you try to ensure your children have the skills to make smart financial decisions. For example, you tell them about the importance of saving or the power of compounding interest. But did you know that you could be sending them negative money messages without meaning to?

Here are four common ways you could teach your children healthy money habits.

1. Revealing the magic behind digital money

Your children have likely seen you pay for hundreds of transactions without glimpsing cash changing hands. For small children, it can seem like money problems are solved with magic – just wave or tap a plastic card. This makes it important to discuss the value of money with them. A good way to start is to explain how your earnings get deposited into your bank account and how you use this account to pay bills. For older children, consider showing them how taxes are deducted from your salary.

2. Spending wisely

Frequently buying things on an impulse could send the message that it's fine to spend without planning. Sticking to a budget is key to avoiding impulse-buying. To set an effective budget, consider working with a professional financial adviser. Your adviser may help develop a budget that factors in your income, expenses and financial obligations.

3. Teaching them independence

It's convenient to do everything for your children. But by giving them a chance to have their own money and decide how and where to spend it, they could learn powerful lessons about budgeting. For adult children, always offering them financial help can create a cycle of dependency. Letting them make their own money decisions could help them develop financial responsibility.

4. Including them in budgeting

Many parents keep household financial planning and budgeting to themselves. While you don't have to fully involve your children in managing your family's finances, giving them a role to play, such as getting them to do grocery shopping using a set budget, can teach them lessons about money. If your children are old enough to earn some income, why not get them to pitch in to help achieve a family goal?

Using your influence positively

You can strongly influence your children in relation to money, so it's important to pass on smart money management skills. If you don't know where to start, consider reaching out to your financial adviser to help you stay on top of your finances through proper planning and budgeting.

Disclaimer: The views expressed in this publication are solely those of the author; they are not reflective or indicative of Millennium3 Financial Services position and are not to be attributed to Millennium3 Financial Services. They cannot be reproduced in any form without the express written consent of the author.

The information provided in this document, including any tax information, is general information only and does not constitute personal advice. It has been prepared without taking into account any of your individual objectives, financial situation or needs. Before acting on this information you should consider its appropriateness, having regard to your own objectives, financial situation and needs. You should read the relevant Product Disclosure Statements and seek personal advice from a qualified financial adviser. From time to time we may send you informative updates and details of the range of services we can provide. If you no longer want to receive this information please contact our office to opt out. **Millennium3 Financial Services Pty Ltd ABN 61 094 529 987 AFSL 244252**