



**Ontario Home Economics Association**

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*Ask A Professional Home Economist*

**For Immediate Release**

## **Your Child ~ A Spender or a Saver**

by Patricia White, B.A.Sc., P.H.Ec.

Money management is one of the more difficult topics that parents have to teach their children, mainly because money is often a taboo subject. For many parents, the subject of money is as uncomfortable as discussing sex. As a parent, you are the main influence in determining whether your child becomes a spender or a saver. Consider the amount of money that will come into your child's hands through allowances, gifts and potential earnings throughout his or her lifetime. No matter what your child's age, start now to take steps to ensure that he will be able to handle the financial decisions in his future.

### **Tips to help parents provide a positive influence and help children master important financial skills**

- Give your child an allowance that is geared to his age and needs, with some additional money for saving and free spending.
- Allow your child to open a savings account and, as he gets older, a chequing account.
- Encourage your child to save towards specific purchases.
- Provide opportunities for a younger child to earn money.
- Involve your child in family discussions about money as he gets older.

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- Teach your child that using debit cards is the same as using cash.
- Show your child how to make informed consumer choices when he is spending his saved money.
- Be a good example by using credit wisely.
- Support your child by encouraging him to give to charities or to others in need.

Family activities can make learning fun. They also demonstrate the financial concepts that are an essential part of money management. For example, set up a piggy bank to save for a family treat such as a weekend away camping, a trip to the zoo, or maybe a DVD player. Make sure that all family members contribute a percentage of their earnings and see how quickly everyone gets into the fun of planning and saving to reach the desired goal.

Another idea is to have everyone involved in the purchasing of a “big ticket” item like a car. Everyone in the family helps to do the research on how to meet the needs and wants of the family. Participating in the comparison shopping, investigating credit sources and learning about contracts before making the purchase are all part of the learning.

Other opportunities to teach your child the skills necessary to be a good consumer and a savvy spender include back-to-school purchases or holiday giving. As your child moves from piggy bank savings to using credit, you will be a major influence on his ability to be a capable saver and wise spender. Make financial topics a regular part of family discussions and family goals will be easier to meet.

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*The Ontario Home Economics Association, a self-regulated body of Professional Home Economists, promotes high professional standards among its members so that they may assist families and individuals to achieve and maintain a desirable quality of life.*

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