

Raise Your Children to Be Money-wise



It's never too early to start teaching your children about money!

Globally, ~63%^[1] of parents spoke to their children about at least one financial concept

Debts and budgeting were the most popular topics; credit scores and insurance were the least discussed

26%^[2] of children identified financial worries as a key stress factor during the pandemic in India

You can be the change - start teaching your children about money

Why is it important to teach your children about money?



Makes them financially responsible citizens

Helps them understand the importance of investing

Shows them how to handle finances efficiently and spend prudently

Helps them avoid debt traps and borrow wisely

How to start:

Familiarise them with the concept of money early on. A trip to the ATM, grocery store or shopping can help them understand how money works.

Demonstrate responsible money behaviour and instil important financial values early on.

Explain the concept of need vs. want; encourage them to prioritise sensibly.

Teach them to differentiate between price and value.



Help them understand the four pillars of money – earning, spending, investing and giving

Introduce the concept of money management – open a bank account to let them deposit and occasionally withdraw.

Teach them to also give back to the community and to the underprivileged.

Discuss the role of interest and credit score in their teens.

Remember to introduce the right concept at the right age, and use the right tools to ensure you instil these values for life. Make it a fun experience for your children!

How to talk about money with your children



3 to 5 years

- Mention money transactions to them, let them 'help' you buy things
- Buy them a piggy bank - small savings can add up over time
- Introduce them to coin sorting and money denomination

6 to 9 years

- Give them an allowance
- Explain how banks work - the concept of savings and earning interest
- Explain spending on needs vs wants, as well as the concept of price and value

10 to 13 years

- Open a savings bank account
- Encourage goal-based savings - ask them to save up to purchase something for themselves

13 to 17 years

- Encourage them to handle money, use ATM cards under your watchful eye
- Help them decide what to spend on gifts for friends and family
- Motivate them to use their talent or hobby to earn some money

18+ years

- Make them aware of digital transactions
- Introduce the concept of debt and debt traps
- Encourage responsible lifestyle decisions
- Talk about their credit score and its importance
- Keep them in the know on your investments and estate planning
- Remind them of the importance of nomination in investments

They learn from you:

- Set an example by being financially responsible yourself
- Don't indulge in impulsive spends
- Borrow wisely and manage debt carefully
- Involve your children while planning your finances to give them hands-on experience of goal-based investment

Sources: 1. <https://www.policygenius.com/personal-finance/news/survey-parents-talk-money-kids/>
2. <https://www.news18.com/news/buzz/one-in-four-kids-say-financial-woes-biggest-stress-factor-during-covid-19-pandemic-survey-3568577.html>

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