

small acorns

a children's money review checklist



Your Money & Your Life

This paper is part of a series linked to **Your Money and Your Life** by Keith Tondeur and Steve Pierce. Visit www.stewardship.org.uk/ymyl for further information

introduction

In her excellent book about money, *Root of All Evil?*, Antonia Swinson tells a priceless story about pop icon, Robbie Williams. His new £80million contract with EMI has just been announced to the press and a journalist asks him to confirm the figure. Williams replies with disarming ordinariness, 'my mum said it would be really uncouth to talk about money...'

Our childhood is usually home to our most formative experiences around money.¹ Helping children to manage money sensibly, to give generously and to see money from a biblical perspective is an important task. To do it well we don't begin with the children in our lives but with ourselves.

start with yourself

Children learn not just from what we say but from what they see us do, and they notice what we don't do. They pick up on our emotional reactions, attitudes, anxieties and our spending habits.

A powerful testimony was given by a man who had used budgeting resources from Stewardship to prepare his own household budget. He was not in debt and had few money worries. But his own childhood had been dominated by parental money worry. With children of his own he was determined not to let them experience the same thing.

The truth is that we cannot meaningfully talk money to the children in our lives if we are not able to talk about it for ourselves. The way in which we approach money is very personal. It is not easy to talk money especially if we have money worries. What we do say needs to be to someone we trust and we should talk money in a way that is appropriate to the relationship we have with the other person.

If we are defensive around money and treat it as a purely private matter we will not be able to talk naturally to our children – but they will still learn formative money lessons from us. If you are in a relationship it is all the more important that you communicate well around money. Sadly money is notoriously difficult for couples to talk about.²

Openness and honesty around money will save us from many painful situations in any relationship where finance is involved, from a marriage, to students sharing a flat together, to a son caring for his elderly father. Even then, sadly, money can have a corrosive effect on relationships.

¹ For more on this and a tool to explore our early money memories search the resource library at www.stewardship.org.uk/money for, *Written on our hearts: learning to tell our money stories*.

² Search the Stewardship resource library for, *It takes two to tangle: money in relationships*.



helping children with money

Think back to when you first left home. How well prepared were *you* to make good financial decisions? What mistakes did you make? As society gets more affluent and finance gets more sophisticated it is harder and harder for the good habits of money management to be passed from generation to generation.³ These days children are taught very little about how to handle money although it is increasingly part of formal education in schools.

Many of our young people have far more disposable income than we had at their age, far more opportunities to spend it and far more pressure on them from advertising to encourage them to do so. It is an abdication of responsibility not to adequately prepare our children to deal with money.⁴

do what I say

What we say to children does matter. The Bible tells us, *'These commandments that I give you today are to be upon your hearts. Impress them on your children. Talk about them when you sit at home and when you walk along the road, when you lie down and when you get up'* (Deut 6.6–7).

Money is part of growing up and your children will probably want to learn about it. Talk naturally about it, without embarrassment. Events such as Comic Relief are a great way to stress the importance of giving money and gratitude at the tea-table for example. Story lines in TV soaps are sometimes opportunities to chat together about the values behind our decision-making.

do what I do

As parents we are always walking a tightrope with regard to money. A few are too miserly, but in our affluent society far more are too indulgent. Our children need positive role models. Paul recognised the importance of this in 1 Corinthians 11.1: *'Follow my example, as I follow the example of Christ'*. God has given us the perfect example in Jesus and just as we should model our lives on him it is important that the children in our lives see that our walk matches our talk.

Children should see *us* shopping carefully, resisting consumer pressures. Let them see *you* putting money aside and talking about living on a budget. Let them see *you* recycling materials and saving energy in the home where possible.

As Rob Parsons of Care for the Family famously said, 'Who on his death bed wishes he had spent more time at the office?' Yet many parents know how it feels to be too exhausted after work to spend time with children. The sense of guilt can be strong and buying things can ease the pain. But while it occasionally helps it simply will not do as a way of life.

³ Professor Avner Offer makes the important point that an affluent society promotes short-sighted thinking about money to the detriment of long-term planning and undermines the careful money management and prudence that generates affluence. *The Challenge of Affluence* (OUP 2008).

⁴ For more on children and consumerism and ideas on how to help children grow up to be generous, search the Stewardship resource library for, *Resistance is Futile: helping kids learn generosity*.

This can be a special challenge to dads who no longer live with their children. Gifts are a lovely way of expressing affection but we know that they are no substitute for time and attention. Absent dads must make sure that children do not associate time spent with them with lavish spending.

do as I pray

Help children to think biblically about money by making biblical language and attitudes a natural part of your conversation. Refer to money frequently as a gift entrusted, speak of the need for generosity. Even the word 'stewardship' is increasingly used in business and to describe our care for the environment so it is not an alien word to them. Let children see what you give to church, missions and charity – if you are embarrassed then do something about it! Another valuable lesson is to encourage kids to experience God's provision through prayer. God can and will answer our prayers supernaturally and something provided by Him is going to be so special.

practical teaching

Learning to handle money is a vital part of every child's education and the home is an essential part of their learning. Issues around pocket money are personal and there are no set rules. However, at some point it is vital that children are given responsibility for some money of their own – including the freedom to make mistakes and the freedom to learn by not always being bailed out of trouble!⁵

Encouraging children to save is important but not something that comes naturally. A simple strategy as children get older and have more income of their own is to agree to share costs for items they want but to insist that children save up their share first.

There are simple things we can do to help children learn to be less impulsive around money. One parent has a 48 hour rule for shopping with children. If his kids see something they want they must wait 48 hours and ask again. It is amazing how quickly priorities change in two days! You might just miss a bargain; more likely and more often we will save on a less than important expenditure.

⁵ For more on this see chapter seven of *Your Money and Your Life* by Keith Tondeur and Steve Pierce.



a children's money review checklist

Chapter 7 of *Your Money and Your Life* features a worked example of a useful checklist for reviewing how we are helping our children to learn simple skills of money management and generous living.

The headings and the questions are listed below with blank spaces to hand write in your own thoughts and comments. The checklist is a starting point and can be adapted to suit your needs.

income

Are your children receiving a regular income? If so, from what source?
Are they performing routine jobs around the house in return for that income?
What must they purchase with their regular income?
What other income do they receive?
Do you have a 'policy' about what they do with those one-off lump sums?

budgeting

Are the children budgeting? If so, describe briefly how they are doing this:
Are your children involved in family budget discussions?

saving

Do your children have savings accounts?

Do they understand what compound interest means?

How much do they understand about savings?

debt

Do your children understand the idea of borrowing money?

Have you taught your children the biblical principles of debt?

Are they aware of the true cost of credit?

giving

Have you taught the principles of giving?

Describe their giving

routine responsibilities

What unpaid jobs around the house do the children do?

How do you hold them accountable?



your work

Do your children understand the need to earn a living?

How would they describe your job?

Could they help you at work in any way?

extra money

Do you ever give one off gifts?

working for others

Do your children do jobs for others?

strategy for independence

What strategy are you using to ensure your children will be financially sound when they leave home?