

Raising Financially Independent Kids

Teaching our kids how to be good with money needs to start from a young age. Setting the right example, and teaching them age-appropriate lessons is one of the best ways to get them on the right track.

Here are the lessons, the conversations, and the goals you can set with your kids based on their age.

Ages 10 -13 years – The Tweens

This is the age where you can begin to take the theory of money and put it into real-world scenarios.

Learning Goals

- Understand why we need a plan for what we do with our money
- Why we set spending limits
- Understand the concept of compounding interest
- Understand the concept of credit and paying interest
- Have a sense of what entrepreneurial spirit means

Key conversations to have

- Why we earn money
- Why thinking about and planning for the future is important
- Different money personalities (spender, saver, shopper)
- What is credit (credit cards, store cards, afterpay, payday loans) and interest
- Difference between debit and credit cards

Key milestones

- Have a short-term savings goal
- Introduce spending limits. Get them to take over the family grocery budget for a few weeks
- Start receiving a living allowance, not linked to jobs, which will cover expenses like clothes or other discretionary spending