

children a valuable lesson

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Pocket money has a lot to answer for – all those funny tummies from eating too many sweets you thought you were cool enough to buy with your own money, and the fashion and music disasters that lay hidden in the attic because you'd excitedly saved enough money to buy them with your pocket money.

Then there are those knowing looks from your parents – the, "you'll regret that" look, which you defiantly ignored.

But aside from those faux pas, being able to make mistakes and spend money on sweets, cheesy music and garish clothes did one important thing – teach you the value of money.

These days, most parents admit to giving their children pocket money. Some as young as four years old are given a small allowance to spend as they please and how much parents give increases with age.

However, some parents choose not to give their children pocket money, preferring to control spending themselves.

But parenting expert Jeannie Gordon says by giving your child responsibility for their money is a very important step.

She explains: "Pocket money should be given to help children learn how to manage money."

"We would suggest eight years old is a good age to start giving pocket money as by this age children have an appreciation of money. It also gives children a sense of belonging, independence and responsibility."

"It should only be a small amount of money, what parents can comfortably afford, and because as they grow older the amount will probably increase. The idea is they spend it on what they want."

"Eventually, you can teach them about saving for the larger items they may want."

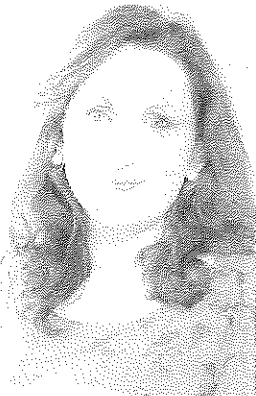
A new study found that while one in three preschool children gets a small allowance, by the age of seven, 87 per cent of children receive on average £3.71 a week, equating to about £193 a year.

For the average 13-year-old this increases to £8.13 a week and by the age of 16, it's about £10 a week, or £534 a year.

Jeannie, founder of Essex-based community interest company the Ministry of Parenting, says pocket money should not be given as a payment for household chores.



■ Lessons in life – giving kids pocket money teaches them about managing finances, says parenting expert Jeannie Gordon, below



Making the bed, hoovering, washing up or drying dishes and tidying up are chores everyone in the household should share, as everyone has to live there, says Jeannie, who works with parents on a wide ranging of family issues.

She says: "But for older children maybe parents could contract out a job, such as washing the car or doing a bit of gardening. These are jobs you may pay someone else to do, so



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you can negotiate a payment with your child for doing it instead.

"Teenagers do not get much opportunity to earn money these days, so this would give them a chance to earn and start to learn how to budget."

A different piece of research, from vouchercloud.com, found 46 per cent of parents don't give their children pocket money, preferring to control spending themselves.

But Jeannie says this could backfire.

"In this culture of debt, parents have this opportunity to help their children and teach them about money in a safe way. If they blow their pocket money and don't have any left for other things, that's it, they don't get more."

"It's better they do that now with pocket money, than when they are adults and get into debt because they can't manage their money."

Younger children would prefer and benefit from their parents' time rather than money, she says.

"How much you give, at what age, all depends on the child's understanding of money, but developmentally, around eight years old is when they begin to appreciate pocket money," she adds.

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Jo Coogan: "I started getting £3 a week when I got to the age where I could clean my room and the bathroom once a week, plus everyday washing/drying up, making my bed, tidying up and generally helping out etc. I learnt from that age you have to work to earn your money."

"I used to always ask my mum for advances so I could buy something more expensive, but she always kept a record. My brother was really sensible and saved all his up and bought a games console – then I realised I had nothing to show for mine because I'd just blow it."

Josh McDonald: "I had £2 a week pocket money from the age of six, which then changed to £4 a week at the age of nine."

"Around the time I started secondary school it stopped and I started to 'earn' my pocket money by doing jobs. At the age of 14, I had my first job at an independent car dealership on Saturdays helping clean the cars for £3.50/hr."

"It definitely helps to earn your own money from a younger age and not have everything put on a plate."

"I'm now 19 and other than living at home, I pay for everything myself – my own phone, my car (including tax/insurance/fuel), clothes etc. It's a huge feeling of independence that those who are constantly spoilt will never have."

Tasha Kathleen Evans: "My son is six, has a chart up and for each rule he gets 25p, which amounts up to £5 a week. He's asked for it monthly so he can get bigger things."

Carla Marie: "My boys get pocket money, but they have to earn it, and both put it straight into savings. They have both just bought a bike for themselves with it. It's teaching them to work for what they want."

Kirsty Smith: "I have just opened a bank account for my 11-year-old daughter, which her dad and I put £20 in each a month. This is because she is now at the age she wants to do things with her friends. Now she may start to understand that money doesn't grow on trees and once it's gone, it's gone."