

POCKET MONEY

in Simple Steps

Step 1

Start paying children pocket money from around age five. Cash only, in different denominations.

Step 2

Three glass jars. Let them decide how to separate them into:

1. Savings: something they want to put money away for
2. Giving: to a charity or a gift for a friend
3. Spending: day-to-day expenses

Step 3

Earn it. This means identifying some chores they have to do each week in order to be paid. These can be:

- Helping put the groceries away (pre-primary-aged)
- Putting the bins out and taking them in (primary-aged)
- A real part-time job (teenagers)

Step 4

Pay them (and pay your daughter the same as your son). Five dollars for children under eight is a good start, with the amount increasing as they get older, depending on their needs. The point isn't the amount—it's a visual aid for teaching financial literacy.

If they are teenagers, it's time to encourage them to look into getting part-time work to pay for anything extra, different or more expensive.

Step 5

If they run out, don't give them more.

Step 6

Repeat the process every week.

Want to read more? MumsAtTheTable.com/three_glass_jars