

Talk to your school

Some schools have good programmes of personal finance education in place but this is not the case everywhere. Talk to your child's teacher or the headteacher about how they approach this aspect of the curriculum. You might find that they are doing quite a lot and you can help your child by talking to him or her at home about how you manage money, about all the things you have to pay for and how you earn money or receive benefits to cover your expenditure. You might be able to volunteer at the school and offer support with some particular expertise or experience of money that would support their personal finance lessons.

More things to do

A number of websites have useful information and interactive games that you can play with your children. Here are some you can try:

www.familylearning.org.uk/money_games.html

www.bbc.co.uk/bitesize/ks1/maths

www.woodlands-junior.kent.sch/maths/measures

www.crickweb.co.uk/ks1numeracy

www.moneymatterstome.co.uk

What Money Means

What Money Means – a groundbreaking five-year project established in 2007 – was designed to develop the financial capability of primary children from Reception to Year 6. **pfeg** worked with local authorities, primary schools and bank volunteers across England with the result that over 23,000 pupils have benefitted from personal finance education. The project has been generously supported by HSBC Bank.

Contact us

If you would like to know more about how **pfeg** helps schools plan and teach financial capability or get involved in our work, contact us.

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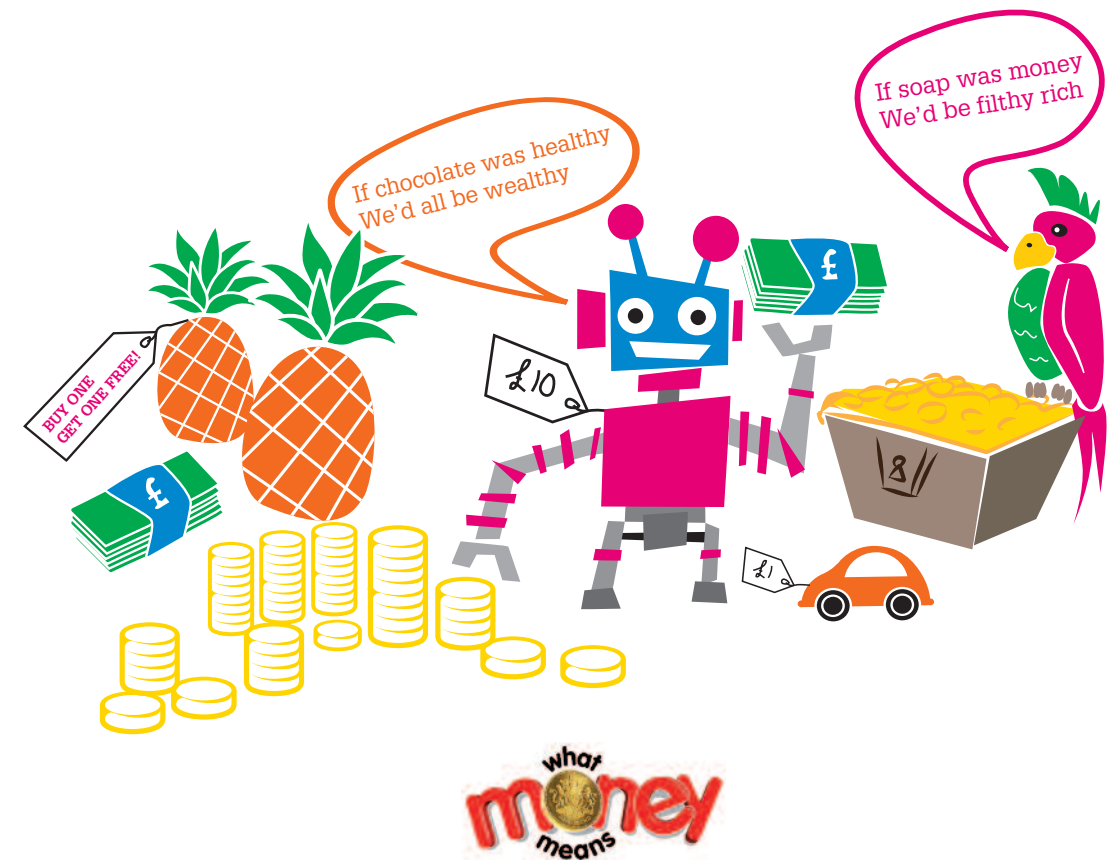
W www.pfeg.org

T [www.twitter.com/pfeg_org](https://twitter.com/pfeg_org)

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Learning About Money with your Children



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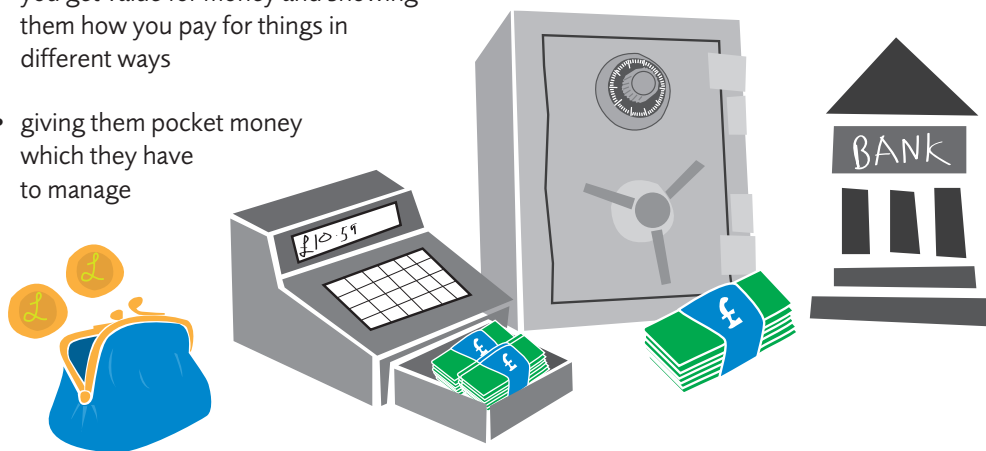
Learning about money with your children

Many families don't talk about money much - the adults control it and hand it out to the children on demand. Yet it is increasingly important in this economic climate to help children develop a sense of financial responsibility. This can start early on by talking to them regularly about money matters and money management, for example:

- including them in family decisions about money, especially about the things that can be afforded and those that can't
- opening a savings account with them and encouraging them to take responsibility for managing it.

The main thing is to talk to them about money and the way it operates in the everyday world when opportunities arise. The aim of this pamphlet is to offer a few ideas to help you along the way.

- making them familiar with coins and notes
- taking them shopping, explaining how you get value for money and showing them how you pay for things in different ways
- giving them pocket money which they have to manage



About pfeg

pfeg (Personal Finance Education Group) is an independent charity which works with schools and teachers to help young people develop the skills, knowledge and confidence in money matters to thrive in our society.

HSBC plc

HSBC is one of the world's largest banking and financial services organisations. It serves 16.1 million customers in the UK and employs approximately 52,000 people. HSBC considers investment in education essential to future well-being and half of its donations to community projects worldwide (over £40 million) are dedicated to education.

Recognising coins and handling money

Help your child become familiar with the size, shape and colour of coins. You can use play coins but real ones are preferable. You will need a range of coins of different value and some coloured containers.

Collect a number of items or pictures of them, e.g. toys, fruit, household goods, and assign them a price. First, ask the child to buy a single item with a single coin (exact exchange). Then ask them to buy items for the same value using a range of coins, e.g. 5p = 5 x 1p or 2 x 2p + 1p. Use higher value coins and notes as your child's understanding develops.

Ask your child to place the coins in the correct container – 1p, 5p, 20p and so on. Help them look carefully at the patterns and designs on each coin. Play a game, e.g. 'Which coin has a... on one side?'



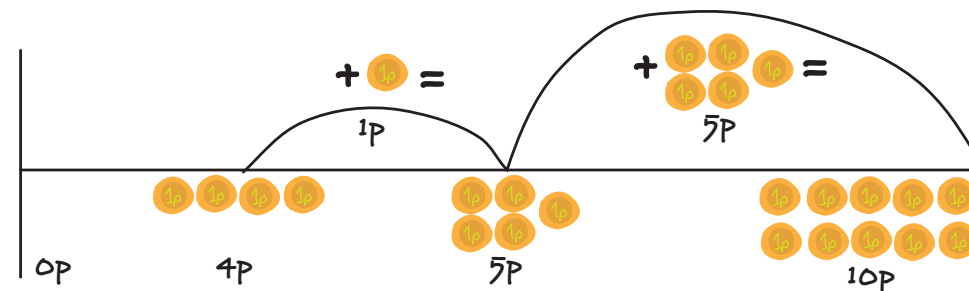
Getting change

Once familiar with coins and the notion of buying, your child can move on to purchasing items with coins where change is required. For example, if an item costs 4p and the child has a 10p coin, ask them if the item is more or less, or the same value as the 10p coin? Teach them that if the item is less, they can expect to receive some money back. You can use a number line to help them work out the change: they 'count on' from the 4p in easy jumps, adding first a 1p, then a 5p to make the 10p, so getting 6p in change.

Keeping a record

Help them to keep a record of the money they have in their purse or money box e.g. add up how many 1p's they have, how many 2p's etc. and then the total amount of money. They can practise counting money out especially if they want to buy something.

Later you can try larger amounts and more complicated calculations.



Nursery rhymes and stories

Children can learn about money through nursery rhymes:

- *Five Currant Buns* helps children to practise counting up and down in ones. You can change the price of the buns to 2p or 3p and do some simple money calculations, e.g. how much would it cost to buy two/three buns?
- *Sing a Song of Sixpence* allows you to talk about where money can be kept safe, e.g. in banks and money boxes.
- *Seesaw Margery Daw* allows you to talk about work and earning money, and pocket money.

Many children's stories have themes connected with money and finance, e.g. families in limited circumstances who have to get by. This gives you a chance to talk with your child about money, how we get it and how we use it. Issues to do with morality and the ethical use of money also crop up, allowing you to talk about attitudes to money and using it responsibly. Here are a few books you can try but a library or children's bookshop will give you advice on others:



Books for young children

- *Charlie and Lola - Please May I Have Some More of Yours?* by Lauren Child
- *The Great Pet Sale* by Mick Inkpen
- *Little Croc's Purse* by Lizzie Finlay
- *Dogger* by Shirley Hughes

Books for older children

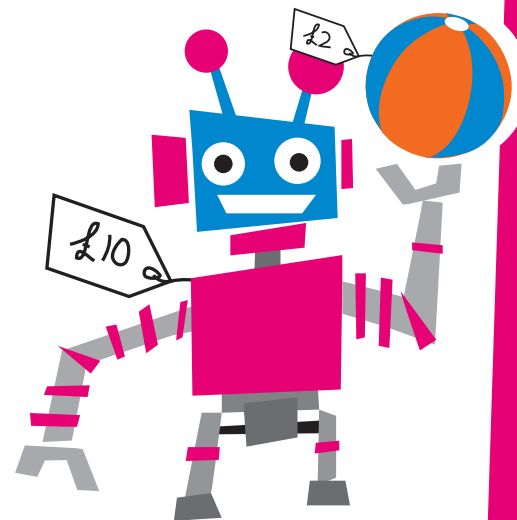
- *The Bed and Breakfast Star* by Jacqueline Wilson
- *Master Money the Millionaire* by Allan Ahlberg
- *All the Money in the World* by Bill Britain
- *Millions* by Frank Cottrell Boyce

What I really, really want?

It is important in everyday life to distinguish between what we need and what we want. Assemble a collection of household items, e.g. a glass of water, a woolly hat, some sweets, a game etc. and ask your child to sort them into two piles – 'Needs' and 'Wants'. Talk together about the things we 'need' to get by day-by-day and are a spending priority.

Of course, satisfying our wants can make life more enjoyable, although getting too much of what we want is not always good for us. How do we help our children think about controlling their demands? Here is one idea:

- Over one month, ask your child to write down everything he/she says they want with the price next to it.
- At the end of the month look together at what they wanted and how much it would have cost.



- Then ask them to choose the one thing they really, really want. You might buy this for them or take it further by introducing them to the idea of saving. Get them to put aside money each week to pay for the thing they want and work out how long it will take to save the required amount.

This exercise will help you to talk to them about the choices we have to make when spending money: Can we afford it? Do we really need it? You could ask your child to do some chores to earn the money to pay for the extras they want.

Pocket money

Pocket money can help your child learn how to manage their own money.

- Try to make sure that they buy what they want out of their own money rather than you buying extras for them regularly.
- If they want a more expensive item, encourage them to save for it.
- If they want something special which costs more than they can afford, you could give them the money but treat it as loan that they have to pay back.
- Discuss with them how they could earn extra money, e.g. dog walking or cleaning cars.

Supermarket challenge

When you visit your local supermarket next, challenge your child to get the best value on the items you buy. Depending on their age, this could be a small or relatively large number of household goods. Initially, set them to buy single unit items. They have to search for the best value comparing prices. You could also do this on an online supermarket shopping website if you find this easier.

You can make this more challenging by comparing products by weight. Compare the same product at different weights, e.g.

coffee at 100g and 200g, and see which offers the best value. Also look at special offers but check that they are good value by comparing the overall price with that for single smaller units.

You could ask your child to keep a running total on a calculator when you shop to make them aware of the overall bill and how much the daily/weekly shopping costs.



Who pays for it?

Draw the outline of a house on a big sheet of paper and write around the outside all the things that cost money such as electricity, food, furniture, pets. Talk about where the money comes from to pay for all these things and how it is earned.

This can be extended to things outside the house, like street lighting and refuse collection: consider what tax is and how it is used to benefit everybody.

Plan a trip

When you next go out for a trip, involve your children in the planning. Set a budget for the day and see if the family can keep within it.

- Investigate the cost of tickets and any special family deals or discounts. Work out the best price for all the people going
- Look up the train or bus fares and work out the total cost. Compare this with travelling by car and paying for petrol and parking
- Consider food and drink costs and how much you have to spend on them. How much does it cost to eat out? Would it be cheaper to take a packed lunch?



• Keep a note of all the charges on the day and compare the total cost with your predicted costs and your budget. You could involve your children in planning a holiday together looking through brochures and websites: it will certainly make them aware of what it is costing the family.

Saving

Start a savings account with your child. Pay in money on a regular basis and add in extra money given as gifts.

Look together at the statements showing how the money grows over a long period. Initially, you can treat the interest payments as a reward for keeping your money in the account. Later, you can explain what interest is and how it is awarded.

When your child understands more about the idea of interest, challenge them to find the best savings accounts. Use comparison sites on the internet to help you do this. Compare the interest rates but also features such as ease of access, notice period and so on.

