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How to help your children to develop a responsible attitude towards money by Osa Webmasterone

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What is your first attempt when you think to give financial education to your child? Who do you think should be the primary teacher for this purpose? Most importantly itâ€™s the parentâ€™s job to implant this quality in the child. In this modern time, parents donâ€™t bother to count how much allowance they are providing their children. They donâ€™t take this initiative because they consider that itâ€™s irrelevant to count the small penny they are offering to the young ones. In this condition how can parents expect their child to make a smart decision in terms of money? Parent lack the communication skills which is necessary to discuss with their children about money. When financial woes crop up in the family, the possibility of negative attitude towards money in the next generation increases.

Your child learns a lot by watching you and how you deal with money. Spending, saving, withdrawing or donating money: they're all chances to teach your child more of the basics about money. Being parents you have the power to mold your childâ€™s financial imprint. Your child wonâ€™t learn this fact from anybody else, there is no subject related to finances in schools and nobody will explain how to avoid the finances pitfall which is the alarming in every corner of the world.

Here, a few points to help your children develop a responsible attitude about money, saving, budgeting, investing and financial planning.

1-Present yourself as a Role Model-you have to act as a role model and as soon as your child learns to count, you can introduce them about the concept of the money. It is very important for the parents to discuss their own financial goals and plans with the child rather than making it an insignificant topic

2-Encourage Your Child to Save-You can implement this by delegating a portion of the child's allowance for a savings account. Same time you should also discuss the child's account statements together and pay emphasis in the concept of "paying yourself first." Explain how beneficial is to earn interest on the amount your child saves. Always keep a record of what the child saves, invests and spends. For grown up children, maintain a long term savings plan and as the account grows, explain the basic investment types, such as cash instruments, stocks and bonds

3-Develop a Sense of Financial Empowerment- Try to develop responsible spending habits that encourage grown-up choices. For instance, you can take your child for grocery shopping and explain them the effect of coupons that can have on an item's price. Show them the result of planned spending vs. unplanned spending, and how it affects a budget. It is important to guide and advise your child rather than dictate spending habits. You want to help your child develop a sense of financial empowerment.

When your child becomes inquisitive about the coins and the rupees, educate them its value and how to spend it tactfully. By the time they will also learn about math as it will make a great lesson.

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