

Financial Education at Home

A guide for parents



Understanding the Importance

Financial literacy is a crucial life skill. Starting early helps children develop good habits and a strong understanding of money, setting them up for future success and financial independence. This checklist provides actionable steps to integrate financial education into your daily family life.

Checklist: Laying the Foundation (Ages 3-7)

- Introduce the concept of money
 - Explain that money is earned
 - Use physical money (coins and notes)
 - Play shopping games
 - Set up a simple pretend shop
- At this age, focus on concrete examples. Show them money, explain where it comes from (work!), and how it is used to buy things. Shopping games help them understand exchange and value. Keep it playful and engaging!

Checklist: Building Blocks (Ages 8-12)

- Open a savings account together
 - Discuss budgeting
 - Introduce the concept of earning allowance
 - Set financial goals (e.g., saving for a toy)
 - Explain the difference between needs and wants
- Now it's time to introduce more complex ideas. A savings account makes saving tangible. Budgeting teaches them to prioritise. Help them set achievable goals and understand the distinction between essential needs and desirable wants.

Checklist: Advanced Concepts (Ages 13+)

- Discuss investing (stocks, bonds, etc.)
 - Explain credit and debt
 - Review loan types (student, mortgage)
 - Talk about taxes
 - Encourage part-time jobs/entrepreneurship
- Teenagers are ready for more advanced topics. Explain the basics of investing and the importance of understanding risk. Thoroughly discuss credit scores, debt management, different types of loans, and the role of taxes. Encourage them to earn their own money.

Key Takeaways

- Start Early: The earlier you start, the better.
- Make it Fun: Use games, stories, and real-life examples.
- Be Consistent: Integrate financial education into everyday conversations.
- Lead by Example: Show responsible financial behavior yourself.
- Be Patient: Learning takes time and repetition.

Disclaimer: This checklist is for informational purposes only and does not constitute financial advice. Consult with a qualified financial advisor for personalized guidance.

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