

Four ways to teach your kids about financial literacy

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There is growing demand in financial literacy programmes for children, says a spokesman for the Institute for Financial Literacy (IFL), which holds workshops on financial education.



It is a collaboration between MoneySense, the national financial education programme, and Singapore Polytechnic International, a wholly owned subsidiary of the Republic's first polytechnic.

"We see clear interest among the parents with kids for our module for MoneySense For Your Child and desire for their children to learn more about financial literacy. In fact, parents and schools have asked if we can tailor programmes or events that bring key financial literacy concepts to their children and teens," says the spokesman.

Here are some ways to help your child become more financially literate, beyond giving him or her piggy banks and teaching the child to manage an allowance.

1 Educate yourself first

You cannot teach what you do not know, so brush up on your financial education before you attempt to share it with your kids.

Ms Oi-Yee Choo of ADDX suggests checking out SGX Academy (www.sgxacademy.com), which has e-learning resources and The New Savvy (thenewsavvy.com), a financial, investments and career platform for women.

Endowus has a financial literacy guide (str.sg/wvo8) and articles on investing can also be found in The Straits Times and The Business Times.

IFL (ifl.org.sg) runs a variety of courses for adults and children, as does Playmoolah (www.playmoolah.com).

2 Build their knowledge gradually

According to a study by Brown University, habits tend to take root by age nine, says the IFL spokesman.

But it is never too late to start even if you have teenagers, as long as parents "scaffold" the learning process by gradually building on concepts. So do not launch into a discussion about investment if your child has not grasped the basics.

"To begin with, our kids will need to appreciate the concept of riskreturn trade off and inflation first before introducing financial instruments such as stocks, mortgages and crypto," says the spokesman.

Besides workshops by IFL and Playmoolah, consider financial board games such as Cash Flow For Kids.

Forrd Asset Management, an independent investment boutique firm, has free picture books on investment for pre-schoolers. Download them at str.sg/wtFn

Use everyday opportunities

While there are plenty of resources online, Mr Deepak Sarada believes that “everyday situations are the best, because they are contextual and reinforce the learning and connecting the reality to their lived experience”.

Do not shy away from money questions

Do you brush your child off when he or she asks about your salary?

“When kids ask parents about money, it gives adults the opportunity to engage children,” says the IFL spokesman.

“One way is to ask them what makes them curious about how much you make? How did this salary come about?”

“It will give parents an opportunity to share about the value of work and the importance of lifelong learning and skills development.”