

MONEY

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Teach your kids to watch the pounds

Setting your children on the path to financial bliss is a valuable lesson in life, says Barry O'Neill,



investment director for financial planning, investment and pension advice firm Carbon Financial Partners in Aberdeen

Despite the obvious long-term benefits for society that could be delivered by schools educating children about personal finance, I see little evidence of any progress.

So for all the parents out there, guess what? It's down to you.

Teaching your children some basic facts about money as early as possible will give them a far better

"Talk openly to your children about money. Don't tell them it's none of their business"

chance of following the right financial path when they grow up.

As the father of two teenage daughters myself, I came to recognise a particular tone of voice so

well that even after just one word I knew exactly what the end of the sentence would be.

The word was "dad" but elongated, with a downward middle and upward finish. The punch line was always the same: "I'll pay you back".

Learning to budget properly is one of the most important financial skills to develop for all of us, and it's never too early to start.

Once your children realise that the "Bank of Mum and Dad" has longer opening hours and more lenient repayment terms than any High Street branch, they can quickly become repeat customers.

It is unlikely they will seek out a better deal, mainly because it doesn't exist.

Having read how Nobel Prize winner and "father" of modern portfolio theory Harry Markowitz set out to educate his chil-



EARLY LEARNER: Start money lessons as early as possible to avoid being fleeced by your children when they grow up

dren financially, I found myself agreeing wholeheartedly with his solution to constantly being asked for money.

Like Markowitz's children, both my daughters have had a monthly allowance since they were about 13.

They were also both "encouraged" to get Saturday or evening jobs to help them learn the value of money.

They were expected to pay for day-to-day requirements from their wages and allowances, while making sure they didn't

blow the lot in the first week of the month.

Learning to spend only what you can afford is a crucial life lesson.

We live in a world of instant gratification, a buy now pay later world that has seen debt proliferate to frightening levels.

Previous generations had to save up for something over a period of time. The joy of being able to afford to buy something you have saved for is more powerful than getting it handed to you on a plate.

The other invaluable

thing you can do as parents is to talk openly to your children about money.

Don't tell them it's none of their business. If you do, don't be surprised if they grow up without having a clue how to manage their own finances.

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