

## Pattie Lovett-Reid: How to get your children on the savings bandwagon in 2020



**Pattie Lovett-Reid**

Chief Financial Commentator, CTV

[Follow](#) | [Archive](#)

Parents are often blamed for not educating their children about money, and more specifically about saving money. I'm not sure that's fair, but let's kick off 2020 by creating an atmosphere where financial conversations flow freely and money lessons are put into place.

So ring in the new year by getting your children on the family-savings bandwagon. Here's how:

1. Begin by helping your children establish savings goals. Goals that excite your children may not necessarily excite you. It has to matter to your children if you want them to change their behaviour and save versus spend. Saving without a reason is pointless.
2. We all have needs, but we tend to have more wants. Understanding the true difference between the two is a great place to start. Share with your children what you spend your money on, why you do it and why it matters. Clearly highlight what is a need in your life and what are the things you would like to have but might not be able to afford right now. This is a great lesson in discipline.
3. Encourage children to earn their own money, and let them use it once they do. Try not to control how they spend the money they earn. You can impart real-life money lessons by, for example, having your children do chores for payment. Reward a great job and dock pay for poor performance.
4. Offer up saving incentives. You could start a matching program to fund specific goals. For example, if your child is saving for a computer required for school, perhaps split it 50/50. Reward achievement.

5. Your children will make mistakes. They will spend mindlessly. They will spend on frivolous things. Instead of reprimanding them, make it a teachable moment.
6. Help your children establish a credit rating by co-signing on a credit card. Keep the limit low and manageable, and act as a creditor if payments are unmade. To be clear, this isn't a bailout: it's a backstop so their rating isn't tarnished if they extend themselves temporarily.
7. Talk about money. It shouldn't be a taboo subject.
8. Act as a financial role model.
9. Explain why budgets matter. Help them create their own budget and hold them accountable to it. It is *their* plan, and owning your plan is key.
10. Help your children find a place to save like a piggybank, a bank account or a coin jar. The actual act of tucking money away reinforces the mentality of saving over spending.

And maybe this will be the year we all practice what we preach.