

Money definitely makes Hong Kong, and the rest of the world, go round, but does your child really know that much about money, why saving is important or how to comparison shop? We asked financial literacy educator **Minal Jain** how parents can help children understand the many aspects of money and raise financially responsible adults.

The sub-prime mortgage crisis, rocketing rents, plummeting stocks, soaring food prices, the growing gap between rich and poor... it's enough to make you wonder if the people currently in charge of the world's lending institutions and other monetary bodies actually understand how money works. If only they'd had a solid grounding in the basics from childhood, perhaps things wouldn't be in such a mess now.

"A banking bust in the US can affect a housewife in Yuen Long, a driver in Bombay and a vegetable farmer in Vietnam," says Minal Jain, who runs financial literacy programmes at local schools and teaches financial literacy to both children and adults. "It's amazing how closely knit the global financial



KidSciences Education Centre

Science

Discover science the hands-on way. Build your own projects and learn important principles of science. Lots of finished work to take home for further exploration.

Ages 4 - 12

Classes in English



Visual Math

Learn math the fun and visual way. Build context-based math toys and visualize important math concepts. Enjoy math games and build interest and confidence for math at school.

Ages 4 - 11

Classes in English



www.KidSciences.com

for **FREE** Trial Lesson - 2851 1876

78, Redana Centre
25 Yiu Wa St., Causeway Bay, HK

“Children can start learning how money works early on”

markets are. The farmer may know nothing about Lehman Brothers, but he knows that the US market is no longer buying his produce,” she adds.

It is this lack of awareness of how global financial events affect all of us that worries Minal. While she doesn't suggest trying to explain anything as complex as mutual funds or junk bonds to a toddler, she has many suggestions for how parents can introduce the subject of money – including earning, spending, saving and investing – from an early age so that children are equipped to make informed financial decisions for the rest of their lives.

Ages 5-6

“Children can start learning how money works early on,” says Minal. “At this age, we want them to understand that numbers have meaning. When you shop, take them along. Have them read the price labels and tell you how much an item costs.

Have them compare items to find the cheaper one. With discounts, such as ‘2 for 1’, ask them what they think it means.” She advises keeping it fun, like a game, so that it's not too overwhelming.

Sit down with your child and review each coin and note, from HK\$10 right up to HK\$100, and explain how each is different and progressively worth more, to get them used to recognising currency.

“Most young children don't understand the difference between coin and paper money, or that a ten-dollar note and a ten-dollar coin have the same value,” she says. “They also don't know about change or the need to save enough money to take the bus back home. Give them the money to pay for the bus and let them get the feel of it. It's amazing the pride a child feels when they can do something so ‘grown-up’.”

Ages 7-9

As your child gets older, ask them to work out how much change they will get back when paying for an item at the supermarket or a department store. “You can also pay them small amounts of money for doing certain chores around the house – washing the

mandarin paradise*

兒童普通話樂園

提高聽覺辨別力
以辨認聲調及以本地標準
文法為基礎，提高學生中文寫作
能力。

以活潑及互動教學方式提
高學生對普通話的興趣和
學習的動機。

聽歌學語將外國
流行歌曲、英語、日語
等詞彙融進生動的日語
生活語境，以遊戲的方式
提高學生的聽覺辨別力。

We provide:
- Small group: only 4-6
students in a class
- Tailor-made curriculum
to fit individual needs
- Our native Chinese tutor
with years of teaching
experience to deliver
interesting, varied, lively
and fun lesson to your kids.

Puhua Language Education Center
Room 703, Haleson Building, 1 Jubilee Street, Central, HK. Tel: 2805-2893 Web: www.puhua.com.hk

dishes, taking out the rubbish, helping a younger sibling with homework," she advises. "You can even introduce the concept of an MPF fund, by encouraging them to save a portion of the money they earn. Tell them you'll match their savings at the end of the year.

"If you're watching a film set in another country together, ask your child if they could use Hong Kong money to pay for items there," suggests Minal. "Introduce the idea of exchange rates...if you're going on holiday, show them how to check the exchange rates and work out how much your currency is worth in the place you're going to visit."

Ages 10-11

According to Minal, children should be receiving a bit of pocket money every month by this age. With this money, "take your child to the bank to open their own account," says Minal. "Show them how it works and how an ATM works. Then, encourage them to read their bank statements, so they can see how much they've withdrawn or saved over a month." The confidence they gain in handling their own financial transactions and dealing with bank personnel is invaluable, she adds, not just for understanding money but also in building confidence and communication skills in general.

Pre-teens can be given small budgets for school supplies, clothing or other necessities. At this age, kids can be dazzled by things their peers have and begin to want flashier, more expensive items. "If you give them a budget and explain everything they must buy with it, they soon learn to differentiate between 'needs' and 'wants'," says Minal.

If your child is adamant about buying something they can't afford, she suggests giving them a loan and laying out realistic terms for repayment. If they fail to pay it back within the allotted time, punish them with interest rates or have them do chores to pay off the debt, "so they understand that failure to pay incurs penalties," she adds.

Beyond the Basics

If children continue to learn about money as they grow, says Minal, "By the time they reach 16 or 17, they have the confidence to go to the bank alone and handle their own money." In her classes, she has seen marked changes in how children perceive money. "They really understand the importance of saving," she notes, citing feedback from parents.

If your own financial knowledge is weak, it's never too late to learn. Minal suggests avoiding classes run by banks. "They ultimately want to sell their financial products to you," she warns. Seek an unaffiliated course run by qualified financial educators. When it comes to looking after and safeguarding your own money wisely, says Minal, "Knowledge is definitely your best weapon." ■

Minal Jain teaches financial literacy at:
a + b = 3 Ltd

Financial Literacy for Kids

Tel: 2868 5399

Website: www.AandBmake3.com

Leverage

Financial Literacy for Teens & Adults

Tel: 2952 2581

Website: www.leverage.hk



www.jei.hk

For Ages 3-14

Since 1977

JEI has over 1 million students worldwide

JEI Math-English

Classes are conducted in English

Free Trial Lesson 2283 0283

Call us if you are interested in having
JEI system in your learning centre

JEI 主動學習系統 Self-Learning System

Diagnostic Test

The Test examines the student's academic skills which allows us to set up an individualized learning schedule.

Individual Progress Prescription Report

The tailor-made learning schedule focuses on a study program that addresses each student's needs.

Self-Learning Workbooks

JEI's workbooks provide clear learning objectives in easy-to-follow small steps.

Interim Test

The short Interim Test is designed to monitor the student's progress.

Achievement Test

The Achievement Test is designed to measure overall achievement of learning objectives.

JEI offers Taekwondo classes for kids and adults by Korean Grand Master **Mr. Woo Jong Pill**, 7th DAN black belt holder (CWB only).



Looking for
Playground partnership?
in CWB centre

Causeway Bay · Tseung Kwan O · Hung Hom
Shau Kei Wan · Kowloon Bay · Tsuen Wan
HongKong 2283 0283 E-mail enquiry@jeimail.com