

“Muum, Daaaad, Can I have...”

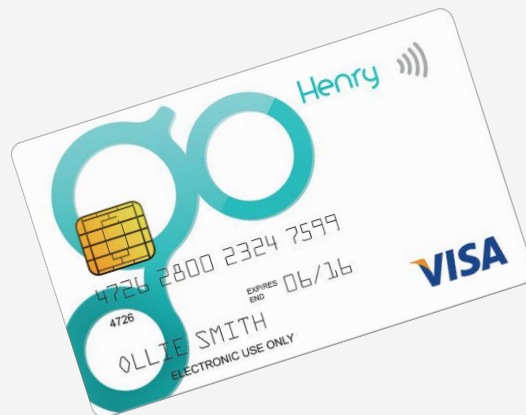
The Ultimate Guide to Your Kids and Money

Written by parents, for parents

goHenry

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Why give pocket money?

Pocket money is one of the first ways for children to learn the basics of managing money – a skill they'll need for life.

By letting them have pocket money you're offering them some independence and responsibility over their own money. This gives them the experience of being able to choose how to use it and make their own decisions.

One of the more important ideas to get across to is to save before you spend so they get used to a cycle of earning, saving and then spending.

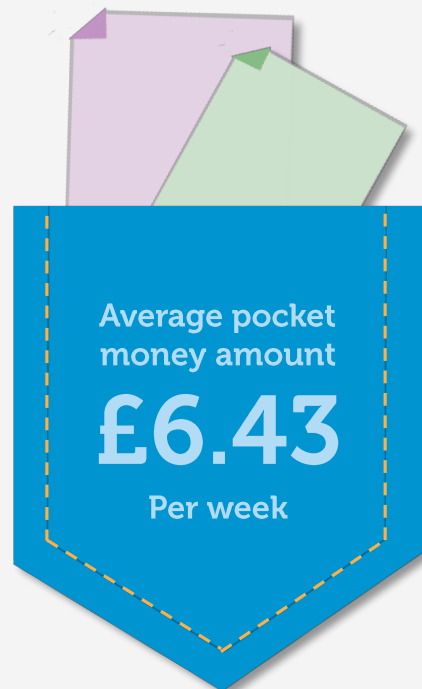
Children generally learn their attitudes towards money in the home.

Financial Education is now included in the national curriculum, which means that children will be learning about money, saving and payment options as well as how money helps the world go round.

Research from Cambridge University (published by the Money Advice Service in 2013) suggests that a child's 'core behaviour' when it comes to money is already shaped by the age of seven.

By watching the world around them (particularly adult family members) children form attitudes that will influence financial decisions for the rest of their lives.

Therefore, it is really important that this learning is continued at home to ensure good habits last a life time.



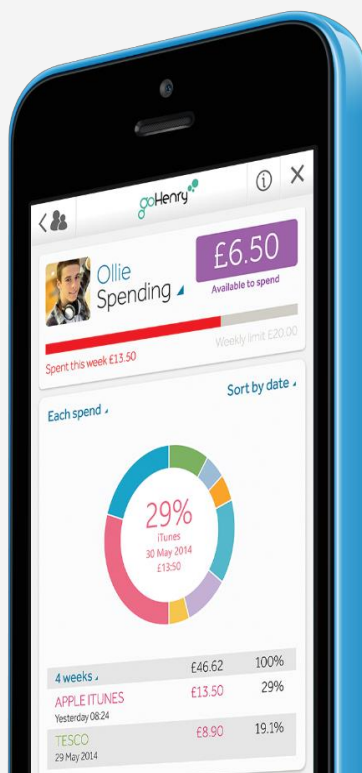
At what age?

A study by the Money Advice Service into 'Habit formation and learning in young children shows that by the age of seven most children have grasped how to recognise the value of money and to count it out. By this age they will also have come to understand that money can be exchanged for goods and so seven or eight appears to be a good time to start giving children their own money regularly. But children are aware of money much before this and experts also acknowledge that giving money to children as young as four or five helps them to begin learning about money management.

There are no hard and fast rules, you must do what is right for your own family. Once your child begins to understand that you need money to get things from shops or to buy school lunches, they might be ready to try managing some pocket money.

[Read our blog post: 'Top five most common money arguments and how to resolve them'](#)

11 8 13



Give them more than pocket money. Give them money confidence.
The smart way young people learn to earn, save and spend responsibly. Find out more at: goHenry.co.uk

Teens and money

As your children and teens get older, it isn't just about increasing the amount that you pay them. It's also important to change their attitude towards the money you are giving them, allowing them to budget for themselves.

'An allowance' as it is sometimes called at this age, could be paid monthly, and you could give your son or daughter responsibility over budgeting for things like travel and lunch money, as well as their weekend shopping trips and cinema visits.

When should you start an allowance?

When your son or daughter reaches about 12 or 13 years, they are probably ready to switch to a monthly allowance, rather than weekly pocket money.

If there's a large item on their wish list, a good way to encourage them to save, is to suggest paying for some of it, say half, as long as they save up for the rest.

Over 8 million UK adults didn't have a financial role model as they were growing up.

- goHenry research

What do goHenry members spend their money on?

Top 3 most purchased items:

TESCO

Goods from
Tesco



XBOX gaming



Amazon
purchases

Top for girls:
TESCO

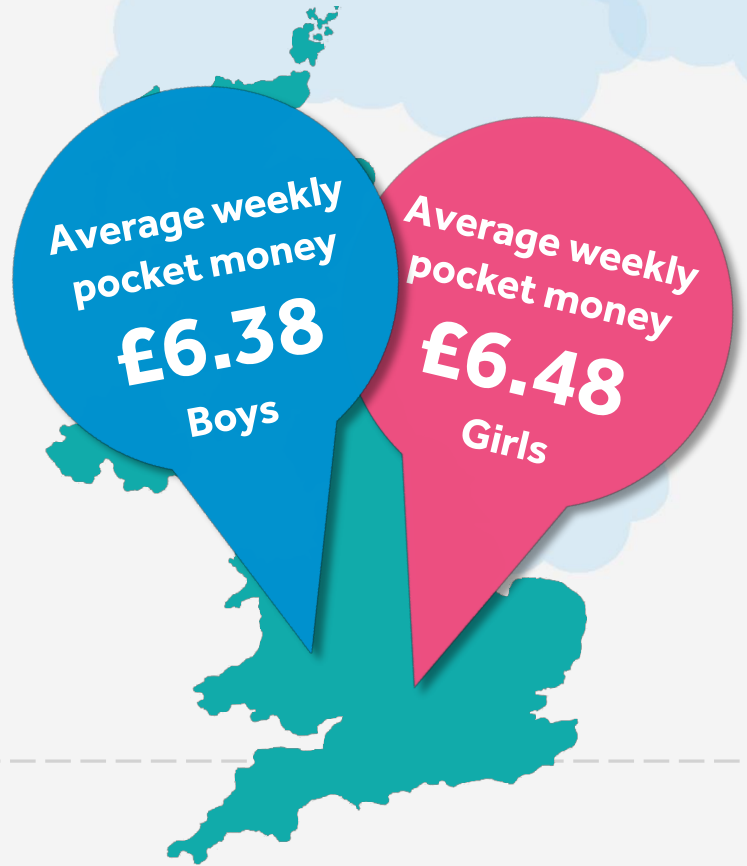
Top for boys:
XBOX

How much pocket money?

This is one of the questions we hear most from parents. It is entirely down to you and you should do what works best for your own family.

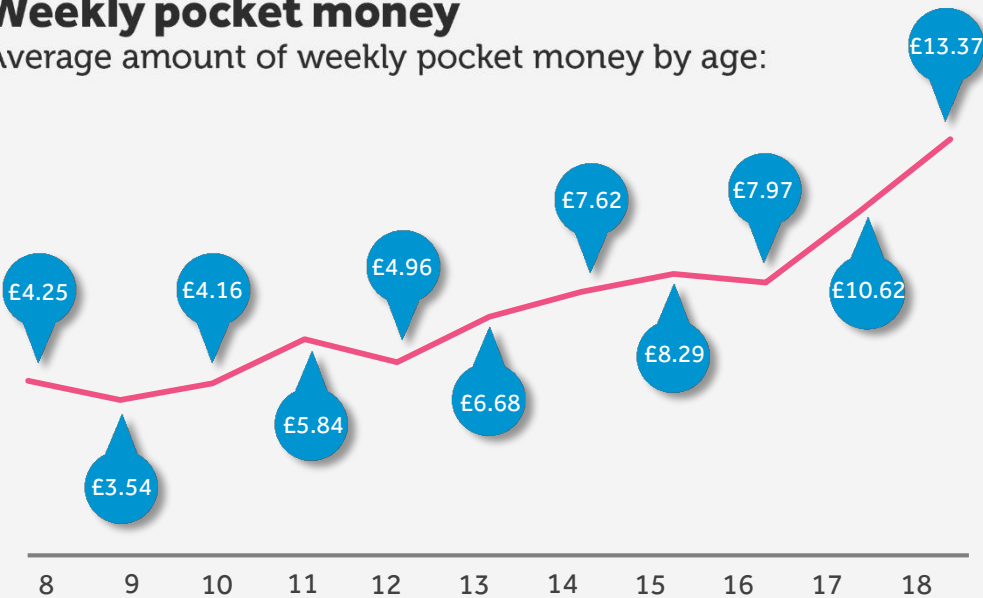
To help you work it out, we've plotted out the weekly pocket money averages by age for boys and girls across the nation.

Give goHenry a try



Weekly pocket money

Average amount of weekly pocket money by age:



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How often?

It's all about teaching your child to live within their means...

Give pocket money in smaller amounts, frequently and regularly so your children have a cash flow to manage. Weekly pocket money and allowance works well, paid just before the weekend.

Try not to make one-off larger payments or supplement their pocket money too often. As your children get older it becomes more important that they learn to budget in readiness for life at university and beyond.

This gives your children the responsibility to make choices and learn the valuable lesson that once it's gone it's gone.

[Read our member reviews](#)

"I started to use goHenry because my banks don't offer my children simple and easy access to online or mobile banking and actually make no effort to encourage them. It's not a lot of money to use (less than the price of a latte) and worth every penny to me".



Justine, Oliver 9 and Emily 12



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Earning extra

Just like adults earn money to pay for things, it's great to empower your children to earn some of their own money from a young age. You can start teaching them about earning by rewarding them with an agreed amount for completing chores or tasks, such as cleaning the car or helping with the housework.

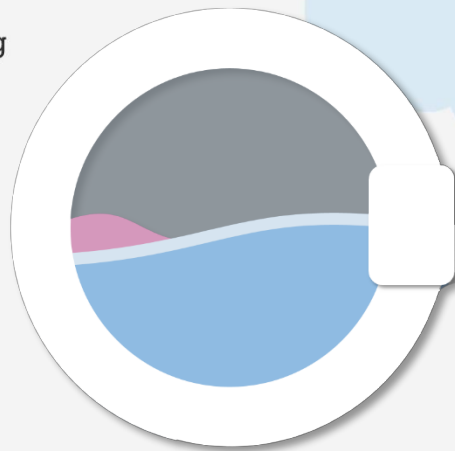
Simple things like playing 'shop' or encouraging them to set-up their own pretend business (or real one) helps younger children to understand the concept of working and earning.

With older children and teens, a part-time job is a great way for them to start learning to earn their own money and appreciate the hard work that is involved in earning a living.

Many parents have different views on whether to pay children for chores or not. To help you decide, here are some pros and cons. You can also read our blog post on the subject here.

62% of young people believe they shouldn't be given pocket money for doing nothing.

www.FirstNews.co.uk



Pros of paying for tasks:

- By creating a system where your children earn money based on their productivity, you're teaching them the value of hard work, and the risks associated with not completing assigned tasks (no money!)
- By getting children to learn how to manage and think critically about these things, you're teaching them responsibility and helping their confidence and independence

Cons of paying for tasks:


- You may argue that chores aren't tasks that should be met with any reward, rather they're fundamental, which should be taught as a part of what's expected in everyday life
- Some urge caution that it can also send the signal to teens that work isn't worth doing unless you're getting paid for it - not a message we want to send to future generations

Top 10 tasks

1


Tidy bedroom
£1.15

Here are the **top 10 tasks** most commonly set by goHenry parents and how much their children earn for completing them:

2

Homework
£1.06

3

Empty dishwasher
69p


4

Make bed
84p

5

Good behaviour
97p

6

Recycling
76p

7

Reading
95p

8

Washing up
£1.59

9

Put away washing
87p

10

Keep room tidy
£1.51

3 things your kids need to know about money

1. You can't have it when you want it

Sometimes we all have to wait for the things we want. No matter how old your children are learning this lesson will help them to budget and save better as they grow up.

Before going in the shop or market it's a good idea to make your children and teens aware of why you're there.

Before a shopping trip, make it clear what you're going to get; Food for dinner, a birthday present for a friend... so you can start to educate your children that going into a shop doesn't always mean buying something for them.

When it comes to saving it's important to help your children set both short term and long term saving goals. The aspect you want them to grasp is the more universal idea of a goal, moving towards it and then accomplishing it.

That's where tools like goHenry come in useful, enabling you to combine the multiple concepts of earning, saving, and spending, and of course, choice, in one application.

18 Million
UK adults run out of money
before **payday...**



**the Money
Advice Service™**



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3 things your kids need to know about money

2. Spending money involves making choices

In terms of financial education, the idea of choice is a major concept. It's something that as adults we do (or should hopefully do) automatically and consistently, a daily balancing act.

So how do you show your children how this works in their terms? Perhaps you've picked them up after school and they want a treat from their favourite café. It's a delicious but overpriced smoothie and buying two doesn't leave you much change out of £10. You might want to suggest, "Look, if you don't have the smoothie here, I can put the money towards helping you save for that album you want."

They might still opt for the smoothie but they'll be aware that there is a choice and the idea of now or later is also a good introduction to the realities of life. They'll still get a treat but they can see there are limits.

Give goHenry a try

"We've had goHenry since my son was 8 and we love it. I set limits on how much he can spend a week and where. Plus we love the texts we get every time he spends any money. For the amount of control I have, and the responsibility he gets over his money, I'm happy to pay the fee as I would not get this from a high street bank."



Pamela & Owain 8

3 things your kids need to know about money

3. Your money can grow if you save it

This is the point in financial education where you start to teach your children that just because they have a stash of money, they don't have to immediately dispose of it. They can actually choose to save some of it and watch it turn into more money.

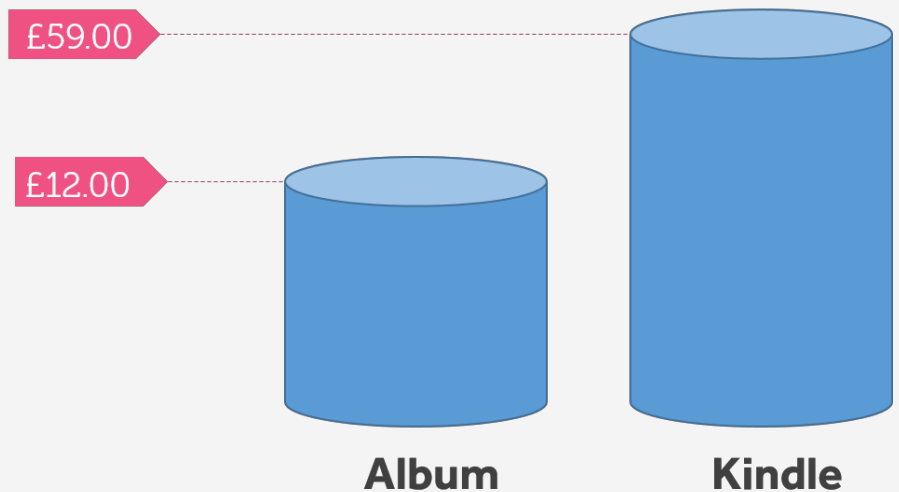
We're not saying it's an easy task, especially when loving grandparents turn up with cash inside birthday cards saying, "Now you can buy something you really want." But it can be done and quite possibly without tears.

Suggest to your children that when they are given money – be it gifts or payments for chores – the first thing they do is put some away for saving. We've found that around 10% is a good number.

This enables them to form a savings habit and doesn't make them feel too deprived in the moment, which is important. No one wants to just save. We also like the idea of a matching plan. No need to go over the top; offer to add £2.50 for every £10 they save.

80% of our members feel that goHenry has helped their son or daughter become more financially responsible.

goHenry member survey 2014



How can goHenry help your family?

At goHenry we believe in empowering young people to learn by doing and that they can be better placed to manage money than we were. We believe in the traditional money values of earning, saving and spending responsibly.

goHenry is a family banking tool that helps 8 to 18 year olds learn to earn, save and spend responsibly and makes managing the the families pocket money and allowances really easy. Combining web and mobile apps, with the goHenry card with parental controls, young people gain the independence to manage money and parents get piece of mind.



Money confidence...

Takes minutes to set up,
lasts a lifetime

Give goHenry a try for free