

Media Release

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Kiwi parents are on the right track with kids' pocket money

Retirement Commissioner Diana Crossan says Kiwi parents are on the right track when it comes to giving their kids pocket money.

She welcomes the fact that nearly all parents (90 percent) say they give their children money, and over half (56 percent) do so as regular pocket money. These are the findings of a survey, "Kids and Pocket Money", released today by AMP Financial Services (NZ).

"One of the best ways to teach kids valuable lessons about money is to give them hands-on experience of managing real money of their own. And the best way to do this is by teaching them to manage their pocket money.

"It's great to see that nearly one in two of the parents who give regular pocket money expect their kids to save some of it. It's never too young to start the savings habit."

Ms Crossan says there are lots of ways of making saving fun for children of all ages, like encouraging kids to save for things they want.

"If you want young children to get into the habit of putting aside some pocket money for long term saving give them two clear containers - one for short term saving and spending, and the other 'do not touch' container for long term saving. This makes it easy for them to see how they're doing."

Ms Crossan says the financial environment has changed markedly in the past couple of decades for young Kiwis with the introduction of ATMs, widely available loans and credit, and increasingly complex financial products and services.

"Everyone needs to be financially literate to make informed decisions about their finances and the earlier we can start that education the better. Pocket money is a great place to begin.

"On the Kids & Money section of our Sorted website [kids, parents and teachers](#) can find games, activities and information designed to introduce children to important money concept skills they'll need for the future."

<http://www.sorted.org.nz/life-stages/kids-and-money>

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