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Shrewell kids on the block

Children will benefit if they are taught early about how to be sensible with money, including the joys of giving, writes **Pat Mesiti**.

s parents, one of our major duties is to develop the belief systems of our children. Most children develop both positive and negative belief systems at a very early age. In fact, it's estimated that by the time a child is five, most of their belief systems, their personalities and foundations for life are already in place. This is why it's so important as parents to start teaching children about the most important fundamentals of life at an early age.

Aside from things such as family and values, money is also an important aspect of life. By teaching our children about money sooner rather than later, they will be better equipped for their future.

Every child gets excited about having their own money. Have you ever noticed how they like to play shop or visit the tuck shop at school to buy something? They feel grown up, and when they see their friends with the latest gadget (think Disney figurines, iPad mini), they want one. You can use these as incentives.

It's important to teach them the power of giving. It's a fundamental principle of life to give away 10 per cent of what you have – it's a part of being a good steward. It can be given to a less fortunate friend, a charity or a church, it doesn't matter. What matters is they learn to be helpful with their resource. How they allocate their money

teaches them to sort it into categories. Teach them to save some for a target they want to achieve, such as that iPad mini. Then put some aside which they shouldn't touch until a predetermined date, such as a significant birthday. And, of course, there's their giving portion, too. To teach them about earning money, reward them for doing a good job, like doing chores around the house. Then once they have some money, teach them ownership. Help them to realise they are responsible for its use so they'll know how to be wise with it. By rewarding, giving to and teaching our children, we are helping them shape their future.

Sensible yet altruistic is the most beneficial approach to money that we can instil in our children.

MAKE SURE THAT MONEY IS SEEN AS SOMETHING THAT **CAN BE SHARED.**

IT'S IMPORTANT TO TEACH CHILDREN TO ALLOCATE THE MONEY THEY HAVE.

ONCE MONEY IS GIVEN TO A CHILD, MAKE SURE THEY UNDERSTAND THAT IT'S THEIRS.

ways to help your child with MONEY

Open a youth or student savings account that offers a high interest rate with little or no tax and charges.

Set a good example – if you are Coverspending and uncontrolled with your finances, you are teaching your child the wrong lessons.

3Set up a family trust – and seek professional advice for tax and practical purposes.

Learn about money together -**4**watch finance programs on TV, attend free seminars and visit your bank together.

5 Buy a property for your child if you can afford it, but consider the legal and tax ramifications carefully first.

Pat Mesiti is an educator, speaker and author of Pathways to Prosperity. For individual financial decisions, consult a qualified financial adviser.

