



Australian Government

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Discussion guide for parents and carers

Saving and spending money

This guide is for parents and carers who want to talk to teens about saving and spending money. It provides advice and practical tips for making conversations about money more meaningful and more fun.

Getting the balance right

Saving for the future is one of the most empowering financial skills young people can learn and is essential to avoid getting into unnecessary debt.

Understanding the difference between wants and needs is key for understanding how saving and spending fit together, and how saving a little now can add up to a lot later.

Setting and working towards a savings goal will help young people learn about the importance of budgeting and tracking what they spend so that they have enough money for the things they need – and some of the things they want.

Family activities

Create a 'family savings goal' where everyone can help save toward a shared activity, such as a family trip. Use the savings calculator at financialcapability.gov.au/teens to figure out how long it will take for you to reach this goal and how to break it down into smaller achievable goals.

Let teens have a say in the family food budget so they get a sense of the cost of living and the time it takes to save. Encourage them to remember the price of their favourite foods when they shop and to compare prices in different shops or online.

Show your teen how you budget for future bills that come once a year, such as car registration or a dental check-up. Use the budget planner at financialcapability.gov.au/teens to help you with this.

The next time you are making a purchase where you are evaluating options, enlist your teen's help. Get them to assist you with research, compare options and let them have a say in the decision. Some examples could be reviewing insurance products or subscribing to a new mobile phone plan.

financialcapability.gov.au/teens

Conversation tips about saving and spending money

Encourage dinner table discussions about saving. Ask everyone at the table what they are currently saving for and share your stories about when you saved for something big. Remember to share what you sacrificed in the short term – was it worth the wait?

Ask teens how they would set a budget for their week – what is essential spending and what is discretionary spending?

Discuss how you budget for a week/month, how you decide what is essential and what things you'll forgo.

Discuss the ways that advertising tries to influence you and why it's important to look closely at the terms and conditions.

Parents and carers – a child's first financial advisor

Managing money is an essential life skill that helps set young people up for a successful future. Like many life skills, parents and carers often have the biggest influence on young people's understanding of, and attitudes towards, money.

Most parents and carers want to pass on hard-earned knowledge and lessons learned about money over the years. But because money can often be a taboo or emotional topic, conversations about it are frequently overlooked or put off.

You don't need to be an expert. Even if you feel like you're not the best role model when it comes to money, talking about money early and often with teens is the best way to go. Showing your teens simple examples of how you manage money – whether it be planning, saving or making spending decisions – will:

- **build your confidence** as a teacher and theirs as a learner
- **encourage them** to ask questions about other money topics
- **develop their understanding** of how informed financial decisions can help them achieve their goals in life as they become interested in different things.

More information

For more information about this and other money management topics visit financialcapability.gov.au/teens

Discover all of the discussion guides for parents and carers:

- **Bank accounts and debit cards**
- **Saving and spending money**
- **Working and getting paid**
- **Dealing with debt and bad decisions**

Visit financialcapability.gov.au/teens and search 'discussion guides'.

