

# Pocket money



**Whether to give pocket money, at what age and how much are questions a lot of parents consider. There are many ways to approach this. To a large extent it depends on your family values, practices and finances. Here are some general points you may like to consider in making your decisions.**

## Giving pocket money

- The main reason for giving pocket money is to help children learn the value of money and how to manage it while you can still guide them. It is a good way to teach responsibility and develop lifelong skills.
- Being given part of the family's spending money can help children feel they are important family members and build their confidence.
- Pocket money helps children make choices. They learn that sometimes they have to wait and save up to get what they really want.
- If you don't have much money to spare, even a very small amount can give a child the feeling of some independence. Not giving pocket money and explaining your reasons also helps children learn about money.
- In some families children are given what they ask for rather than pocket money and this may work well. Others can think this misses the opportunity to teach children about money.
- Some parents put part of children's pocket money into a savings account or encourage their child to do this themselves. Check for any fees the bank may charge.

**Children develop their attitudes towards money from seeing how their family manages it.**

## At what age?

The age to start giving pocket money depends on your child and you. It can help to:

- consider how well your child understands the purpose of money and that when it is spent, it is gone. Their understanding of money, planning and saving will develop over time
- check what their friends' parents are doing but in the end it is important to do what works for your family.

## Should it be earned?

- Many parents believe children should receive a certain amount of pocket money simply because they are part of the family and not as payment for jobs.
- At the same time, children are expected to do some tasks as part of their contribution to the family.
- Both these things are important but are two separate aspects of belonging to the family.
- You may decide to give some pocket money and let your child earn more by doing extra jobs, such as washing the car.

## How much pocket money?

How much pocket money to give will depend on:

- what your family can afford
- what the pocket money is expected to cover
- the 'going rate' among families similar to yours. If your child has a lot less than others they may feel hard done by. If they have a lot more it can cause resentment amongst their friends. At some stage, children need to learn that there will always be people who have more money than them and others who have less. It helps children to hear that more money does not always make people happier.

The amount of pocket money you give can increase as children get older and develop skills.



## What should pocket money cover?

- Work out with your child what the pocket money will cover and what it will not. Talk it through and make sure they understand. You could help put money into envelopes or jars for different purposes, eg saving, spending, donating. There are also apps that can help children manage money.
- Allow your child to learn from any mistakes, eg unwise spending, losing money. Try not to 'top up' their pocket money, give it 'in advance' or lend money they may not be able to repay. They miss the opportunity to learn to manage money and live within their means.
- In the primary school years you may decide that pocket money could cover some saving, some school lunches and some for your child to decide what they want to use it for. Be careful not to criticise their choices. Making their own decisions helps develop a sense of responsibility and independence.

If you are giving pocket money it is important to be consistent and reliable about 'pay days'.

## Pocket money and behaviour

Some parents stop pocket money if they are not happy with a child's behaviour. Generally, it works better to talk with your child and understand why they were not able to behave as you expect.

Listen to them and work out together what will help them do better next time. If they have broken something, they may be able to give part of their pocket money to pay for it. Taking away pocket money, especially for a period of time can seem unfair and cause resentment.

## Pocket money and teenagers

Depending on your teenager's maturity you might decide to give them pocket money to cover entertainment, travel and perhaps clothes. While you may want to say that family money is not to be spent on certain things, eg cigarettes, teenagers need to have some control over their money to learn valuable skills.

Making poor decisions can help them to think about what might have worked better. If they run out of money you may agree to help the first time. Let them know that in future they must take full responsibility.

Avoid always lending money and having your child owe money that may never be repaid. Debts can cause resentments and conflicts. It might work better to say 'No' in the first place.

Older teenagers often earn money from part-time work. How they use this money varies from family to family. In some families teenagers contribute something towards the family or their own expenses. They may pay some money towards board.

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**Show delight when your child manages their money well. You may want to give them a bonus.**

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## Want more information?

### Parent Helpline

Phone 1300 364 100

For advice on child health and parenting

### Raising Children Network

For information about pocket money and other parenting topics

[www.raisingchildren.net.au](http://www.raisingchildren.net.au)

### Parenting SA

For other Parent Easy Guides including 'Growing and learning in the family', 'Being a parent', 'Positive approaches to guiding behaviour: 2-12 years' and 'Living with young people'

[www.parenting.sa.gov.au](http://www.parenting.sa.gov.au)



**Government of South Australia**

### Parenting SA

A partnership between the Department of Human Services and the Women's and Children's Health Network.

**Ph: 08 8303 1660**

**[www.parenting.sa.gov.au](http://www.parenting.sa.gov.au)**

Parent Easy Guides are free in South Australia.

Important: This information is not intended to replace advice from a qualified practitioner.

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