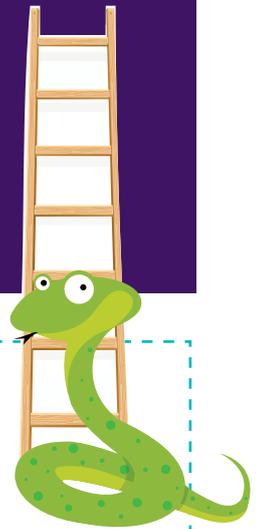


8-12

## Money activities

# Saving money

It's never too early to teach your child the importance of saving money. Here are a few ideas that may help...



### Vision board

If your child wants a more expensive item, ask them to cut out or draw a picture of it and write the words 'TO SAVE FOR' beside it. Alternatively, they could use the Vision board poster (also in the Parents section). Stick their picture or vision board on the wall in their bedroom or on the fridge – seeing their goal on a daily basis is a powerful incentive to encourage them to save.

### Snakes and ladders

Make a snakes and ladders game based on saving or spending money. There are plenty of free printable templates for snakes and ladders to be found online. Add your own text to the squares at the top of the snakes or at the bottom of the ladders, for example, 'Buy sweets, slide down the snake,' or 'Save pocket money, climb the ladder'.



### Money-meter

Savings can seem abstract, so having a physical indicator of how much money your child has saved can encourage them to put more aside. Take a clean, empty 2-litre fizzy drinks bottle, and tape a ruler onto the side. Every time your child saves some money – either in a money box or a bank account – they should add some water to the bottle. If they spend money, they should tip out some water. Use the ruler as a scale, with 1 cm equalling £1.

### Stop the impulse

Most parents know the pester-power of the 'impulse' items located beside checkouts in shops. Rather than give in to their pleas or lose your temper, tell your child that if



you don't buy that item for them now, you'll put that money towards a trip to the cinema/zoo/playzone (whatever you know they love to do) at a later date. Make sure you stick to your promise though, or this idea will backfire.

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8-12

Money activities

# Saving money



## Interest in money

Teach your child the concept of ‘earning interest’ and the benefits of saving by paying them a ‘bonus’ or interest on savings if they leave money untouched in their moneybox. Tell them you are going to do this and how much the bonus will be – explain that banks do the same if you leave your money with them. For older children, the bonus or interest can be a percentage of the amount saved at the end of the month – they can work it out with you.

|               | Money saved | Total in moneybox | Interest earned | Total with interest |
|---------------|-------------|-------------------|-----------------|---------------------|
| January       | £10         | £10.00            | £0.20           | £10.20              |
| February      | £10         | £20.20            | £0.40           | £20.60              |
| March         | £10         | £30.60            | £0.61           | £31.21              |
| April         | £10         | £41.21            | £0.82           | £42.03              |
| May           | £10         | £52.03            | £1.04           | £53.07              |
| June          | £10         | £63.07            | £1.26           | £64.33              |
| July          | £10         | £74.33            | £1.49           | £75.82              |
| August        | £10         | £85.82            | £1.72           | £87.54              |
| September     | £10         | £97.54            | £1.95           | £99.49              |
| October       | £10         | £109.49           | £2.19           | £111.68             |
| November      | £10         | £121.68           | £2.43           | £124.11             |
| December      | £10         | £134.11           | £2.68           | £136.79             |
| <b>Total:</b> | <b>£120</b> |                   | <b>£16.79</b>   | <b>£136.79</b>      |

## How interest is calculated

For ease, let's say that banks offer 2% interest per month.

### Example:

If your child has £10 in their moneybox at the end of the month, you could offer them a 20p reward (2% of £10) for saving, which would give them £10.20. You can decide on the percentage you want to offer them. For a 2% reward, use a calculator to multiply the amount in the moneybox by 0.02.

The table shows the outcome if they manage to save £10 every month for a year.

So, just by ‘not spending’ or saving £10 each month, your child ends up with £16.79 extra in their moneybox at the end of the year = over six weeks’ extra pocket money! They have learned a valuable lesson about the benefits of saving and it’s only cost you a couple of pounds each month. An excellent exercise all round!



## Tell a teacher!

Why not get your child’s school to sign up to the MoneySense programme online? There is a wealth of resources for teachers to use in the classroom, including workshops, activity sheets, quizzes and videos. All resources are linked to the National Curriculum and accredited by Young Money.

[mymoneysense.com](http://mymoneysense.com)