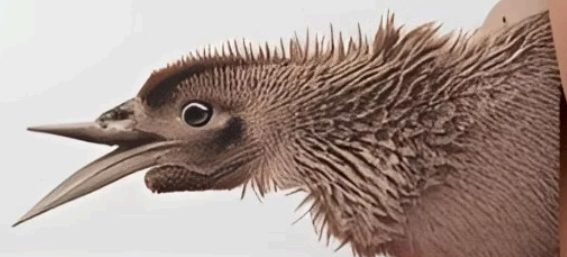


HOW TO MAKE YOUR KIDS BETTER WITH MONEY

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INTRODUCTION: WHY FINANCIAL SKILLS MATTER FOR KIWI KIDS

Teaching children about money is one of the most valuable gifts a parent can give. In New Zealand, as in many places, financial literacy isn't formally taught to most of us growing up – many adults had to figure out budgeting, saving, and debt the hard way. In fact, financial literacy is lacking throughout New Zealand across all income levels; even high-earning parents can struggle with basic money skills.

By taking a proactive approach to teach your kids about money, you set them up for a future where they feel confident and capable in managing their finances. Everything in life becomes easier when you have good money habits, and kids who learn to earn and save their own money early will appreciate its value the most.

This guide is written in a friendly, conversational tone – just like we'd chat over a coffee about parenting. It's packed with practical tips tailored for Kiwi parents and children of all ages. We'll cover fun ways to introduce money concepts to little ones, smart habits for school-age kids, and preparing teens for the real world of earning, saving, and investing.

We'll also highlight uniquely New Zealand considerations, like KiwiSaver, so you can leverage local opportunities to benefit your family.

Whether your child is a preschooler curious about coins or a teenager starting a part-time job, it's never too early (or too late) to start these conversations. Let's dive into age-appropriate strategies to make your kids smarter with money – and maybe even improve our own habits along the way!

START EARLY: SIMPLE MONEY LESSONS FOR YOUNG CHILDREN (UNDER 7)



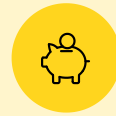
MAKE MONEY TANGIBLE

Young kids often learn best by seeing and doing. Begin with the basics: explain what money is and why it's needed in everyday life. Use real coins and notes to help them understand that different coins have different values.



INTRODUCE EARNING AND CHORES

Even at a young age, children can start to grasp the concept that money is earned through work. Assign a couple of very simple chores or tasks and give them a small reward for helping out.



PIGGY BANKS AND SAVING FUN

Encourage your little one to save by making it exciting. Give them a piggy bank or even a decorated jar as their personal "Kiwi bank."

Use real coins to illustrate different values; for instance, a \$2 coin buys more than 50c. Engage them with a play shop, allowing them to 'buy' toys to understand transactions and practice counting.

Assign simple chores like putting away toys or feeding a pet, and offer a small reward. This teaches them that money is earned through effort, not given freely.

Encourage them to deposit a portion of any money they receive into their piggy bank. Celebrate its visual buildup, showing the reward of saving rather than spending everything at once. Positive reinforcement helps them see saving as a good choice.



EVERYDAY MONEY MOMENTS

Take advantage of daily activities to teach small lessons. When shopping or paying bills, talk about what you're doing. If you use an ATM or banking app, show them how buying things makes your balance go down, reinforcing that money isn't endless and comes from an account.

At this young age, the focus is on making money concepts concrete and fun. Keep lessons short and relevant, as children learn from observing your positive money habits.

PRIMARY SCHOOL YEARS: BUILDING SMART MONEY HABITS (AGES 7-12)

As your child grows, their understanding of money can grow too. The primary school years are a perfect time to instill good habits through practical experience. Here's how you can build on the basics:

GIVE POCKET MONEY – BUT MAKE IT EARNED

Tie pocket money to chores or responsibilities. This teaches kids that money is earned by contributing and working, rather than fostering a sense of entitlement.

ENCOURAGE SAVING A PORTION OF ALL MONEY

Introduce the habit of saving part of any money received, such as with the "Save, Spend, Give" method (e.g., save 30%, give 10%, spend 60%).

SET GOALS AND DELAY GRATIFICATION

Help your child set a savings goal for something they want. This teaches them patience and the reward of waiting for a larger purchase.

MAKE SAVING AND BUDGETING VISUAL

Use clear jars (e.g., for saving, spending, giving) or charts to make money accumulation visible. This provides a concrete way to balance different uses of money and track expenses.

PRIMARY SCHOOL YEARS (CONTINUED)

LET THEM LEARN FROM SMALL MISTAKES

Allow children to make small financial mistakes early; learning a \$10 lesson now is better than a \$10,000 lesson later. If they spend frivolously, discuss the consequences calmly and encourage reflection on future choices, rather than bailing them out.

MAKE SPENDING THOUGHTFUL

Help your child distinguish between 'needs' and 'wants,' involving them in shopping decisions to compare prices and stick to a budget. This teaches valuable comparison shopping skills and how smart choices make money go further.



TWEENS AND TEENS: PREPARING FOR REAL- WORLD MONEY SKILLS (AGES 13–18)

The teenage years are pivotal for financial education. Your child may start earning their first income, manage larger sums, and soon face adult financial responsibilities. Equip them with the skills for financial independence:

TRANSITION TO BUDGETING AND BANKING INDEPENDENCE

Around 13 or 14, Kiwi teens gain more financial freedom. In NZ, they can access bank accounts and debit cards (e.g., Visa Debit) without parental permission from age 13.

PART-TIME JOBS AND EARNINGS

Encourage part-time work that doesn't interfere with school. Jobs like paper runs, café work, babysitting, or mowing lawns offer invaluable experience.

Teach budgeting basics using their income or allowance. Guide them to create a simple budget for needs, wants, and savings goals. Encourage using budgeting apps and give them responsibility for specific purchases to learn real-life money management and the consequences of their choices.

Earning a wage instills work ethic, appreciation for money, and develops responsibility. Support them in finding part-time jobs and discuss managing earnings, such as saving half their paycheck for future goals. Budgeting earned income is crucial for financial independence.

KIWISAVER – START AS SOON AS THEY EARN

FREE MONEY FROM GOVERNMENT AND EMPLOYERS

KiwiSaver members aged 16 and 17 are eligible for an annual government contribution (up to \$260.72 per year). Additionally, from April 1, 2026, employers must make contributions for 16- and 17-year-old employees. This provides free money from both the government and employers, boosting their savings.

LONG-TERM COMPOUND GROWTH

Starting KiwiSaver in the mid-teens allows decades for savings to grow significantly due to compound interest. Even small, regular contributions can accumulate into a substantial amount by retirement. Time is the greatest asset for maximizing investment growth.

FIRST-HOME BOOST

Beyond retirement, KiwiSaver funds can be used to help buy a first home after a minimum of three years in the scheme. This early start can provide a significant deposit by the time your child is ready to purchase a home. In New Zealand's housing market, this head start is invaluable.

GOOD FINANCIAL HABIT

Enrolling in KiwiSaver young instills a "pay-yourself-first" discipline. It makes saving a normal part of their paycheck, setting aside money automatically for their future. This crucial financial habit will benefit them throughout their lives.

BEYOND KIWISAVER: INVESTMENT, SPENDING, AND FAMILY INVOLVEMENT



TEACH INVESTMENT BASICS

Beyond KiwiSaver, teenage years are a great time to introduce the concept of investing and growing money. You could do this hypothetically or with real (but small) amounts.



RESPONSIBLE SPENDING AND DEBT AWARENESS

Teenagers are prime targets for consumerism. It's crucial to talk about responsible spending and the dangers of debt.



INVOLVE THEM IN FAMILY FINANCIAL DECISIONS

Teenagers are mature enough to understand a lot of the family's financial realities. Involve them periodically in appropriate discussions.



TEACH INVESTMENT BASICS

Introduce the concept of investing early, using real-world examples or hypothetical exercises like stock market simulations, to demystify how money can grow through interest, dividends, and growth. Explain that making money work for you can earn more over the long term, though short-term losses are possible. You can relate it to tangible examples, such as how familiar companies are listed on the stock market.



RESPONSIBLE SPENDING AND DEBT AWARENESS

Discuss responsible spending habits, the pitfalls of high-interest debt, buy-now-pay-later schemes, and credit cards. Emphasize budgeting for needs before wants and understanding what a credit score is. Explain how late payments can impact their future ability to borrow and encourage delaying high-interest debt until they develop greater financial discipline.



INVOLVE THEM IN FAMILY FINANCIAL DECISIONS

Include teenagers in age-appropriate family financial discussions, such as budgeting for holidays or major purchases, to demonstrate real-world money management and foster financial literacy. Showing them how you allocate money for bills, savings, and expenses provides a practical model. This transparency, without burdening them with worries, helps them understand the financial realities and prepares them for their own financial independence.

LEAD BY EXAMPLE: YOUR MONEY HABITS SHAPE THEIRS

Children, at any age, are keen observers. The money habits you exhibit as a parent – good or bad – will rub off on them more than any lecture will. This is why it's so important to lead by example and create a healthy money environment at home.

In essence, your children will absorb your money habits, attitudes, and values like a sponge. By being conscious of what you're modeling, you can ensure they're picking up good habits. And hey, this can be a motivating factor for us as parents to improve our own money habits – knowing the kids are watching!

If you want them to save, show that you save. If you want them to be charitable, let them see you give. Be the financial model you wish you had when you were young.



OPEN CONVERSATIONS

Make money a normal, comfortable topic. Many of us grew up in homes where money was taboo or "not talked about in front of the kids." Try a different approach: discuss everyday financial decisions openly (in age-appropriate ways). For instance, saying "We're deciding whether to fly or drive on our holiday, let's compare the cost," or "Our power bill was quite high this winter, we might need to save in other areas." This openness demystifies money. It tells your kids that it's okay to talk about finances and ask questions. It also lets them learn by osmosis – they pick up concepts simply by hearing you talk through decisions. A teen hearing you talk about comparing insurance quotes, for example, learns that shopping around is normal. A younger child hearing "we can't eat out this week because we're saving for Christmas" learns about trade-offs & priorities.

MODEL GOOD PRACTICES

Your actions carry more weight than your words. Show them what responsible money management looks like. If you create a household budget, share parts of it with them. Demonstrate how you pay off the credit card bill in full each month to avoid interest (if that's what you do), or how you set aside savings for emergencies or big purchases. If you're saving up for something as a family (like a new TV or a trip), involve them in tracking the progress. On the flip side, be mindful of what your more subtle behaviors teach. If kids observe that you're always swiping the credit card for impulse buys or see you anxiously avoiding bills, they can internalize those behaviors as "normal." How you spend, save, and talk about money sets the baseline for your kids. For example, consistently using a shopping list and sticking to it shows discipline; they'll remember that.

INVOLVE THE WHOLE WHĀNAU

If you have a partner, present a united front on key money principles in the household. It's confusing for kids if one parent says "no more new gadgets, we need to save" while the other comes home with the latest tech toy unannounced. Try to agree on family financial practices (like whether allowance is tied to chores, or how you celebrate with money on special occasions) and both participate in reinforcing them. Also, include the kids in certain decisions to give them ownership. For example, set a family savings goal – maybe saving for a summer road trip. Let the kids contribute ideas on how to cut costs to feed that goal (like having pizza night at home instead of takeaways, or selling unused stuff online together). When they see everyone in the family working toward a financial goal, it builds teamwork and normalizes positive financial behavior as a family culture.



MINDSET – MONEY AS A TOOL, NOT A STRESS POINT

Try to convey a healthy mindset about money. The goal is for your children to view money as a tool to achieve goals and provide security, not as a source of anxiety or a measure of self-worth. If you and your spouse have the occasional money disagreement, handle it calmly and rationally (or at least out of earshot of the kids until you can discuss calmly). Seeing parents constantly argue about money can instill fear or negative emotions around finances. Instead, even when money is tight, approach it with a problem-solving attitude that kids can witness: "We need to tighten our budget this month, let's figure this out." Show them that by planning and adjusting, you stay in control – this resilience is something they'll carry with them. One observation I've made in my business is that even households with high incomes can set a poor example if they live beyond their means and constantly stress about money. It's not how much you have, but how you manage it. Keeping a level head and positive attitude about budgeting and spending will teach your kids that money is manageable, not scary.

ADMIT MISTAKES AND SHARE LESSONS

Part of being a role model is being honest when you've made money mistakes (we all have!). You don't need to disclose every financial detail, but selective transparency can be powerful. For instance: "Mum got into credit card trouble in my 20s because I didn't budget well – I learned the hard way to live within my means. I want you to avoid that pain." Or "We took out a car loan that we later regretted because the payments were a strain. Next time we'll try to save more first." These real stories make abstract warnings very concrete. It also humanizes you to your kids – they see that it's okay to make mistakes, and more importantly, that one can recover and do better. It fosters an environment where they won't be afraid to come to you if they mess up financially, because you've shown that mistakes are lessons, not shameful secrets.

CONSISTENT MESSAGES

Try to align your financial behavior with the lessons you teach. If you tell your child to save for a rainy day but you are always complaining about living paycheck to paycheck (while perhaps overspending on non-essentials), there's a disconnect. Kids pick up on hypocrisy quickly. It doesn't mean you have to be perfect (far from it), but strive for consistency. If you value frugality, demonstrate it by avoiding impulsive buys and finding joy in free or low-cost activities. If you value investing, let them see you checking on your KiwiSaver or sharemarket investments periodically and talking about long-term goals. When your actions match your advice, your children will respect those lessons so much more.

CONCLUSION: RAISING MONEY-SAVVY KIDS FOR LIFE

Teaching your kids to be better with money is a journey, not a one-time lesson. It evolves as they grow – from dropping coins in a piggy bank at age 5 to managing a paycheck and KiwiSaver at 16, to perhaps discussing student loans and flatting costs as they enter adulthood. The effort you put in now, through each stage of childhood, will pay off massively in your children's confidence and competence with finances later on.

Think of these lessons as planting seeds. At first, you might not see much change – a preschooler won't instantly become a mini-accountant just because you played "shop" with them. A teenager might roll their eyes at your budgeting advice. But over time, those seeds sprout. One day you'll overhear your child say, "I'm saving up for XYZ, I've got a plan," or see them compare prices and make a smart choice, and you'll know it's clicking. As they become adults, they'll face the world prepared: they'll understand how to earn money, respect its value, spend it wisely, save for goals, and invest for the future. They'll be less likely to fall into common traps like unmanageable debt or living paycheck to paycheck, because you helped them build strong foundations.

Moreover, you're not just teaching about dollars and cents – you're imparting values: **responsibility, patience, discipline, and generosity**. These go hand in hand with financial savvy. A child who learns to wait and save for what they want is learning self-control. A teen who allocates part of their paycheck to the whanau or charity is learning compassion. These characteristics will benefit them in all areas of life.

Remember that every family's situation is different. You don't need to be wealthy to teach good money habits – in fact, as I noted, financial literacy isn't guaranteed by income. Whether you're struggling or comfortable, you can instill the right mindset in your kids. And if you feel your own financial knowledge isn't strong, use this journey as a chance to learn together.

There are fantastic resources in New Zealand – from the Sorted website and MoneyTime program for kids to library books and community workshops. Showing your kids that you're willing to learn and improve financially is yet another way to lead by example.

NEW ZEALAND'S CONTEXT

Make sure to take advantage of what's out there: open those bank accounts early.

KIWISAVER BENEFITS

Leverage KiwiSaver's benefits from 16 onwards.

ENCOURAGE PART-TIME WORK

Our cultural emphasis on a good work ethic can start young.

MODERN MONEY MANAGEMENT

Familiarize them with tools like EFTPOS cards and online banking as teens so they're fluent in the modern ways of managing money.

Finally, keep the conversation going. Money shouldn't be a subject that causes friction or mystery at home. By talking openly and regularly, you normalize it. Your kids will feel comfortable coming to you with questions – "How does a credit card work?" "Why do we invest money?" – and those are golden opportunities to teach. They'll also be more likely to share when they're facing a dilemma or have made a mistake, which means you can guide them before things get out of hand.

FINAL THOUGHTS

Raising money-smart kids is an ongoing process of conversation, practice, and example.

With patience and consistency, you'll watch your children grow into young adults who are financially savvy, independent, and set up for success in the Kiwi way – ready to make the most of their hard-earned dollars, and to live the life they want without money holding them back. And that, as a parent, is an incredibly rewarding accomplishment.

If your children aren't already enrolled in KiwiSaver - now's the time to do so. Get in touch with me via my website - www.solidsteeleadvice.co.nz

Thanks for reading - I hope you enjoyed it

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