

African Bank Limited press release 3

June 2019

### **Teach your children about investing: 5 tips for parents**

A life lesson most of us hope to entrench in our children is that you get out what you put in - into life, into relationships, into your career, into yourself and into your financial future, says Neil Thompson, head of product and customer value proposition at African Bank.

“As the money makers of the future, it is advisable for young children to become familiar with what it means to earn an income and make sound financial decisions.

“Children are often bitterly disappointed to discover how quickly money disappears - this is where early advice and guidance about smart investment and other opportunities come into play,” says Thompson.

Teaching small children about investing, he says, can be easily demonstrated to even very young children.

“Use the planting of a veggie or flower garden, for example.

“Take a seed and have them plant it, take care of it and nurture it into a beautiful flower or tree. Their attention to this project each day, as they curiously watch for signs of growth, will pay off as the days and weeks go by and they see the reward of the hard work they’ve invested in their garden.

“Your child’s garden could, however, be a big disappointment if the seeds were planted in the wrong area of the garden or during the wrong season.

“As their parent, you would advise and guide them every step of the way in preparing their garden, ensuring that they are making the right decisions and will be rewarded for their hard work.

“To save money and be able to recognise a smart investment opportunity later in life requires the same type of guidance from a reputable investment consultant.”

### **5 ways to teach your children about investing:**

1. Ignite their entrepreneurial spirit. Every child would love to earn their own money, so help them by brainstorming a couple of ideas they can put into action from home, on the internet or even in your driveway! Why not start with a simple garage sale of their old books, toys, clothes and sports gear?
2. Explain the difference between saving and investing. Keep it simple. Investing may sound complicated but it really isn’t - explain that investing is about making the money they have saved work for them to make even more money.
3. Lead by example. Talk to them about your own investments and show them how you are reaping the rewards of making the right decisions with your money. You can’t invest without money, so also be a good example of someone who cares

- enough about their income to put a portion of it away each month for a rainy day.
4. Help them to set financial goals. They should understand that the money being saved or invested is for a specific purpose and to reap the reward is worth the wait. The journey to the reward is made that much sweeter when you know what to invest in.
  5. Create a place for them to save. This could be a piggy bank if they are very young but should be their own savings account at a bank if they are a little older. You may consider African Bank's MyWORLD day-to-day banking offering, which offers a unique Power or Savings Pocket concept which will help you provide the guidance to managing money, that all children need. Having their own bank account and card provides a great sense of independence and enables the child to track their journey to achieving their financial goals.

“Everyone is constantly looking for ways to improve their lifestyle and finances,” Thompson says. “At African Bank we want you to strive for better by passing on good saving and investment habits to your children from an early age.

“After all, they could be your caregivers later in life. The financial decisions your children make today could determine your future too.”

ENDS

Visit the African Bank [website](#) or like them on [Facebook](#)

PREPARED ON BEHALF OF AFRICAN BANK BY CATHY FINDLEY PR. CONTACT JACQUI RORKE ON [JACQUI@FINDLEYPR.CO.ZA](mailto:JACQUI@FINDLEYPR.CO.ZA) OR (011) 463-6372 WITH ANY CONSUMER PR QUERIES.