

## **Guide on Budget Management for Parents**

### **How to teach the child to manage money?**

**Rule No. 1** Teaching money management is impossible if no money is available. The correct way is to give to your child a fixed sum for weekly spending (for dinner and other sundries) on a regular basis. It is not wise to give to the child large amounts of money (exceeding monthly pocket-money amount).

**Rule No. 2** Teach your child to plan his/her income and expense. If you give money on the regular basis, the child acquires it faster. A convenient way of giving pocket-money to your child is to use regular payment service in order to transfer funds from your card account to the child's account.

**Rule No. 3** If the family has lack of money, the child must know about it. If the family is forced to make savings in order not to exceed its budget, the child should knowingly participate in this process.

**Rule No. 4** Manage your child's spending. We advise you to set a daily or monthly limit for withdrawal of funds from a card. This limit will be useful in case the card gets lost. Of course, the payment card is not a toy. However, by using the card, the child quickly learns how to use ATM and acquires settlement safety principles.

**Rule No. 5** Control your child's spending. Ask your child to account his/her expenses and connect to SMS notification service in order to receive on your phone all information related to every transaction in your child's account, as well as supervise Junior card account statements in internet banking.

**Rule No. 6** If you child wishes to purchase something for a sum exceeding the amount of pocket-money, offer him/her to save this sum independently. Besides, by saving money in Junior card account, your child can receive 0.5% interest income on positive account balance from 71.14 EUR per annum.