



# MONEY COACHING

## TEACHING YOUR CHILDREN ABOUT MONEY MANAGEMENT

This worksheet has been designed for parents and children (aged 5-16) to talk about money. The tasks are broad, so please interpret and adapt them to your needs. There are options to level up or down, depending on age or what is most relevant to you right now.

The main aim of this is to encourage open conversations about what you need to spend money on each month, how much items cost and why saving is important.

If you have any questions about the worksheet or would like more information, please get in touch with [partnershipsupport@payplan.com](mailto:partnershipsupport@payplan.com).

### WHAT TOPICS ARE INCLUDED WITHIN THIS?

1. Why is it important for families to talk about money together?
2. What is a budget?
3. What is the difference between 'want' and 'need'?
4. What makes us want to spend money on certain things?
5. What can we do with money left over?

### ABOUT THE AUTHORS OF THIS DOCUMENT:

PayPlan provides free debt advice across the UK. As one of the largest free debt advice organisations, we help millions of people to understand what money they have coming in and what they need to pay for. For people who have multiple debts, we explain all the repayment options that are available for them.

We want to encourage more people to talk about money and debt. We hope that this guide will encourage families to understand their budget, and to help the next generation to be confident in managing their money.

If you or someone you know is worried about debt and would like free debt advice, visit [www.payplan.com](http://www.payplan.com)

## MONEY MANAGEMENT IN FIVE TASKS: 1. WHY IS IT IMPORTANT FOR FAMILIES TO TALK ABOUT MONEY TOGETHER?

### READ TOGETHER

Being confident to speak up about money can help people to have good spending habits. Lots of things that we take for granted like our home, playing games or watching our favourite TV shows are all paid with the money that we have coming in. If you spend more than you have, then you could find yourself in debt.



**TASK 1:** Write a list of all the items and activities that your household spends money on each month.

**LEVEL DOWN:** If you have a very young child, encourage conversation around what they enjoy doing each month. Then, ask if that is something that is free or that you need to spend money on in order to do it. For example, going to playgroup or watching Peppa Pig.

**LEVEL UP:** If your child is feeling more confident with this task, then try working separately at first. Parents can make one list of everything that you pay for each month, and children can write a separate list of everything you think needs paying for each month. Then, compare!



**TASK 2:** Now, working together, rank your lists from what costs the most money to what costs the least. Does it cost more to go swimming or to pay for Netflix?

**TEACHER NOTE:** Depending on age, this is an opportunity to explain where money is spent each month, are they thinking about food, hobbies, travel, or the costs for running the home?

## 2. WHAT IS A BUDGET?

### READ TOGETHER

You might hear people say, “we need to budget” or “do you know what your budget is?” But, what does that really mean?

Well, when we speak about ‘budget’, we mean knowing the **total amount of all the money you have coming in and the total amount of all the money you need to spend**. Once you know everything that you need to pay for, you can see how much money you have left over for treats or to put into savings.



**TASK 1:** Let’s work as a family here – can you work out together your monthly household budget? Have a look at [PayPlan’s monthly budgeting planner](#) or create your own!

**LEVEL DOWN:** Instead of focusing on how much items cost, use this task to find out where your child thinks money comes from and what we need to pay for – do we get water for free, who pays for our food...?

**LEVEL UP:** If your child has a good concept of money, let them say how much they think goes into each budget box first, like what rent costs, what we earn etc. Is it vastly different?

**TEACHER NOTE:** This task gives you an opportunity to highlight why it’s important that we keep track of spending and why sometimes we need to say ‘no’ to stay within budget.

### 3. WHAT IS THE DIFFERENCE BETWEEN 'WANT' AND 'NEED'?

So, we've worked out what our household spends money on each month. Sometimes, we can mix up the things that we want in life and the things that we need.



**TASK 1:** Working together, write a list of all the things that you **need** in life and all the things that you **want** in life. Talk about why you put them under 'want' or 'need' as you go.

**LEVEL DOWN:** Instead, talk about what you like doing. Parents, you can talk about whether that's something we need to do, or if it's something we want to do.

**LEVEL UP:** Parents versus children – write separate lists and after 5-10 minutes, talk through your lists with each other. **Extra points** – can you explain the difference between want and need?

**TEACHING POINT:** Explain that it's fine to want things in life, but that this task is about showing the difference between things we need to spend money on, and that the extras really are a treat. Sometimes, we need to save up for quite a long time for those extra items.

### 4. WHAT MAKES US WANT TO SPEND MONEY ON CERTAIN THINGS?

Do we always know why we want certain toys, clothes or like certain brands? Friends, celebrities and families can often talk to each other about certain products or brands. This will give you the confidence to say whether you think brands are always best...



**TASK 1:** Work out what are our favourite things are and why!

**LEVEL DOWN:** What's your favourite treat, TV show or toy? Why do you like these things, and would it matter if it came in a different package?

**LEVEL UP:** Are brands important when we choose things? Do you think that brands make items 'better' and why?

**TEACHING POINT:** Think about food, toys, songs, shows. Why do we choose some brands over others? Here's an opportunity to explain that, often, clothes, food and other products are just as good as each other, but adverts and 'pester power' from friends and the media can sway us to thinking we 'need' more expensive things to have the best.

### 5. WHAT CAN WE DO WITH MONEY LEFT OVER?

Now we have a better idea of what it costs to run our household and what we need and want to spend our money on, let's think about what we can do as a family to make the best use of the money that is left over.



**TASK 1:** Make a list of the things that you would like to save up for as a family. Then, think about what you could stop spending money on to help reach these goals.

**LEVEL DOWN:** What do we want to do over the next year? It may be that you'd love to learn to ride a bike or start a little vegetable garden.

**LEVEL UP:** Remember, parents are in control of the finances. If you are old enough to get pocket money, then make an extra list of what you would like to save for with your pocket money.

**TEACHER NOTE:** It could be fun to keep a visual reminder in the house of how much money you have saved. This can be a good tool to use if someone in the house would like to spend money on something outside of your budget so you can be reminded of what that may mean in the future.

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# CONGRATULATIONS!

You have gained your  
financial knowledge point!

This certificate shows that the \_\_\_\_\_  
family has completed their money management in five steps!

## Your family now has the power to:

- ✓ Understand what money your household needs to spend every month
- ✓ Know the difference between 'want and need'
- ✓ Not be swayed by brands and explain whether you think that brands make something better
- ✓ Save money for the extra treats
- ✓ Track yours and your household's savings, working towards goals together

