

INVESTMENT SUMMER CAMP

This summer vacation, teach your child about money

Give a man a fish, and you feed him for a day. Teach a man to fish, and you feed him for a lifetime. The same applies to your child's finances too. Here's how you can teach your child about money.

1ST LESSON

Everything comes at a cost. Money is absolutely needed to buy anything

How: Give your child pocket money. This will be used to buy any of his favourite items.

2ND LESSON

Money does not grow on trees

How: Connect any extra allowance to any tasks s/he gets done at home. This shows that money does not come free.

3RD LESSON

It takes effort to get something

How: Talk to your child about how you have to work hard at the office to buy a house, a car, and even the child's toys.

4TH LESSON

You can't get everything immediately

How: If and when the month's allowance depletes, then s/he has to wait to buy.

5TH LESSON

Save for the rainy day

How: Ask your child to add money to a piggy bank. Whatever money gets accumulated over time can be used when the pocket money falls short.

6TH LESSON

Where is your piggy bank?

How: Tell your child the various options s/he has to keep the money. Explain the benefits of each option and let your child choose.

7TH LESSON

The money math

How: Every 3 months, add ₹ 2 for every ₹ 10 your child has saved. This explains the concept of compounding and also motivate saving.

8TH LESSON

Decide where to spend

How: Regularly give your child two options to choose from-one costly and one cheaper. Explain how it affects the piggy bank and let him/her decide.

9TH LESSON

Extra money comes at a cost

How: If your child wants something costlier than the pocket money, then 'lend' money. In exchange, get extra chores done or ask for an 'interest'.

10TH LESSON

All about Taxes

How: Buy your child an ice cream from your money. Take 1 bite for every 10 of his/her bites. Then explain the concept of Taxes.

11TH LESSON

Grow your money

How: Once your child is a little older, buy him/her a few Index Fund units. Ask your child to monitor the performance every year. This explains the wonders of investing.

WHY TEACH YOUR CHILD ABOUT MONEY?



→ A child only sees the toys around. He or she does not see that the parents buy these toys.

→ From the child's perspective, the parent miraculously gets everything he/she asks for.

→ S/he may not see the effort that goes into earning, saving, investing and spending money.

→ So, the child may grow up taking money for granted.



→ This mentality can be dangerous once the child grows up.

→ S/he is likely to not take adult matters like jobs, saving and investing seriously.

→ S/he is also likely to borrow money when needed without thinking about the repercussions.

→ This can be disastrous to your child's future financial security.

Did you know that you could invest in a variety of Equity Funds?

Swatantra Kumar Explains

KNOW YOUR MUTUAL FUND TEACHERS

- ▶▶ At school, we have class teachers. They help you teach your child.
- ▶▶ In the investment world, if your money is your baby, then a Fund Manager is likely to be the 'class teacher'.
- ▶▶ The class teacher essentially sets the targets and then guides your child towards the goal. With your money too, the Fund Manager sets the objectives and then directs your money in the right path. This helps your

- money work harder and earn more returns.
- ▶▶ And just like how you can't have a single teacher take all the subjects, you have different Fund Managers. Each manager looks after a certain kind of Mutual Fund.
- ▶▶ So just like how the Hindi teacher is separate from the Math teacher, your Equity Fund Manager differs from a Debt Fund Manager.
- ▶▶ But class teachers don't suffice. Your child may need extra support

- outside the school. Enter Tuition teachers.
- ▶▶ Similarly, your money needs extra support while you need more guidance. This is where a Financial Advisor can help you.
- ▶▶ Depending on what your need is, the advisor can guide you towards your goals. He/she can tell you mistakes to avoid and good habits to build.



IN THE NEXT EDITION: It's lovely that you want to teach your child about money. But remember, your child learns from you. Your habits, thus, can decide your child's future. Are you financially sound enough? Let's look at that in the next edition.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.