

## What kind of money parent are you?



### Many parents approach the topic of money differently, but could your way of doing things influence your kids' success?

The majority of Aussie mums and dads recognise that they're accountable when it comes to shaping their children's perspective around money matters.

A recent report published by the Financial Planning Association of Australia (FPA), revealed parents listed themselves (95%), followed by grandparents (63%) and teachers or coaches (59%) as the top three biggest influencers when it came to instilling money values in their kids.<sup>1</sup>

## What money conversations are parents having?

As part of the research, parents said they mainly concentrated on day-to-day issues when talking money with their children, admitting that more contemporary issues, such as making transactions digitally, were sometimes overlooked.<sup>1</sup>

### What parents said they discussed:<sup>1</sup>

- 52% - how to spend and save
- 43% - how to earn money
- 32% - how household budgeting works
- 24% - how much people earn
- 19% - making online purchases
- 13% - in-game app purchases
- 5% - buy now, pay later services, such as Afterpay.

## What approach do you take with your kids?

The research undertaken indicated that there were four prominent personalities parents assumed when discussing money with their children, with some parents initiating conversations more frequently, while others were sometimes a little more hesitant.<sup>1</sup>

The four distinct personalities that came out of the research included:<sup>i</sup>

## The engaging parent

### Common traits:

- You have the most conversations around money with your kids and feel comfortable doing so
- You tend to have a higher household income
- You're more likely to use money to encourage good behaviour in your children
- Due to high engagement, your kids are often more financially prepared than other kids
- Your kids have a greater interest in learning about all types of money matters.

## The side-stepping parent

### Common traits:

- You are less comfortable talking to your kids about money so have fewer conversations
- You may have less money coming in as a household
- You're less transparent about what you earn and money matters in general
- You tend to provide the least amount of pocket money and as a result your children may be less interested in learning about money and how to make transactions.

## The relaxed parent

### Common traits:

- You're comfortable talking to your kids about money but don't do so too often
- You take a relaxed approach to money matters and are transparent about money issues
- There is little financial stress in your home
- Your relaxed nature may lead to your children missing out on opportunities to learn about money, which means your kids may need to explore money matters on their own.

## The do-it-anyway parent

### Common traits:

- You're not always comfortable talking about money but still have frequent conversations
- You're mainly concerned your child will worry about money if you talk about it
- Despite your discomfort, your perseverance generally pays off
- Your teenage children are more likely to have a job than the average child.

## What approach is best according to the research?

Engaging parents were more likely to report that their children were more curious, confident, and financially literate than they were at their age.<sup>i</sup>

According to parents who fell into this category, their children were the most equipped to understand and transact in today's digital world and their teenagers were the most likely to have a job and make online purchases for themselves or their family.<sup>i</sup>

In addition, the research found children with a paid job outside of the family home were more financially prepared to engage with money.<sup>i</sup>

They were also used to transacting digitally and showed greater interest in learning about paying taxes and superannuation than those who didn't have a job.<sup>i</sup>

If you need help to manage your money more confidently so you can pass on good habits to your kids, give us a call.

<sup>i</sup> [Financial Planning Association of Australia: Share the Dream – Research into raising the invisible-money generation 2018](#) page 6,