

Pocket money should be given to the teenagers or not

[Economics](#), [Money](#)



With the development of our modern society, peoples living conditions become much more comfortable. But along with intense competition, parents have less time to consider children needs in all-round. One method to solve this contradiction is to give children some pocketmoney. Pocket money is useful to children. But whether the children are considerable enough to make correct use of these money. There are two viewpoints about the pocket money. Some people think that giving children pocket money will make them become luxurious. Others think that will not lead to such disadvantage.

In my opinion, both of them are partially reasonable. Nowadays teenagers are moving to independence and it will help them if they have some practice in managing money. Giving pocket money teaches teenagers to manage money while they are still young and parents can still guide them. Also, it help teenagers to make choices and to see that sometimes people have to wait and save up some money to get what they really want. The important predicament of pocket money must have certainly flashed your mind either during yourchildhoodor as a parent now.

Of course, the dilemma is always much more grave if you are a parent. Parents extensively differ in their perspectives of upbringing children in a system of granting pocket money to take care of their petty expenses. At first, the definite expenses that should be termed as petty is pretty much subjective in nature and needs to be well-defined to start with. The second question you need to ask is what is the extent to which a child be given freedom to spend money which is deemed as pocket money?

While a lot of parents' concerns revolves around promoting unhealthy competition amongst children on the amount of money they get and loss of control on a child's spending habits, there are also some positive lessons for teenagers such as inculcating money management skills and making tough decisions regarding spending desires that offer less value to their lifestyle. Some people believe that giving children pocket money really has many advantages. With pocket money, children can buy their daily necessities such as pencils, little toys, and snack food they like.

It will give children a certain freedom to select what they want, make them aware of the rules of the equivalent exchange. Since time for parents is very precious, giving pocket money to children helps them to save time spent in shopping, but used in busy working and earning money. Children can get the value of the money when they are responsible to pay for their purchases and they will become more responsible with money matters. It can also lead the children to pay for their things from their pocket money itself, so that they get to know how grownups set up a budget when salary comes and pay for living expenses.

Some parents think that giving pocket money to their children can save a lot of time for grownups to buy small things for them. Parents can utilize this time for other important tasks. Once they start giving pocket money to children, they have to begin making important decisions regarding spending money themselves, this will give them the sense of purpose and achievement. Besides that, children feel a sense of independence and responsibility towards

spending the money in the right way. They learn to understand the value of money.

Children will get into the habit of planned income and expenditure. They also learn about saving & budgeting. Giving pocket money to children makes them feel an important part of the family since they know that they get a part of the family's monthly income. Therefore, the way of giving pocket money will develop a sense to children of how much has to be done to earn money, learn that 'money doesn't grow on trees', learn what money can buy, how much they need to buy and what they need to buy.

They can have their own money to spend and helping them develop self control and understanding the value of money, and learn to save money. Others insist that there are undoubtedly some disadvantages in spending pocket money. First, young children do not know how to use pocket money appropriately, they possibly consume all the money to buy expensive merchandise that they like, and then ask for extra money from their parents. Some parents cosset their children, and always give them a large amount of pocket money. Such conditions will make children become more and more prodigal.

Second, since adults do not supervise the procedure of shopping, children could probably buy something that is not suitable for their age, such as adult magazines. The a€? Current Pocket Money Trends in Malaysiaa€? survey has cited that metropolitan children in the 12-20 ages group get as much as RM500 to over RM1500 a month of pocket money to spend on apparels,

physical appearance, cell phone and other lifestyle products. A child may not be cautious in spending money, he or she can easily spend on frivolous unnecessary items.

Children are not expected to know the value of money so they are never expected to make a wise decision regarding money. A child can easily get into trouble if there is no supervision with regards to money matters. He or she can be the prey to the bullies at school or play area if they are carrying lots of pocket money. Children may always think they will get paid for everything they do to help, you have to find the money to pay them regularly, it is hard to know what the pocket money is supposed to pay for and there will always seems to be something more.

Although children learn to understand that amount of money is limited and they need to always choose between their various desires to ensure correct use of their pocket money. Some parents believe that pocket money should not be given since that will make the child feel that 'parents money is not his/her money', it could lead to unhealthy competition amongst children on the amount of pocket money they get, and they will loss of control on where children spend the money.

By judging these two viewpoints above that I mentioned, I think that parents should give their children a limited amount of pocket money and there must always exist some preconditions such as the amount of pocket money must be finite; parents should instruct their children how to use the money moderately and what is suitable to them; for a costly merchandise, parents

themselves should take children to buy it. With these preconditions, pocket money will do no harm to their children. Parents need to explain to them where the money is to be used.

For example when you first give the amount to your daughter, you need to explain that this money is to cover her school special lunch; candies or soft drinks requirements for a week. If the child is given money without any direction, you could run the risk of the child using the money in a way that does not agree with you. In such cases, parents need to be very careful in not micro-managing where the child spends the pocket money, else the child will get irritated and will not get the sense of independence that parents want to instill in the child.

Once children start spending, sometimes away from their parents in going to school, sports classes, tuitions, and they need to carry some amount of money on them. In the beginning, the amount of money should be small and should be periodically reviewed as the child grows. For example parents could decide that every birthday, they will give an increment to your child's pocket money. If your child excels in academics or sports, they could get higher pocket money increments! How much is the best as the pocket money?

Parents must always ensure that they give comparable pocket money to their children. It should neither be too much or too little compared to friends. Giving more pocket money than friends will make your child spend more and consider money as frivolous and easily available. If your child gets less

pocket money than his/her friends, it will lead to an inferiority complex and the child might start resenting you. An idea might be to give your child a set amount each week, putting half in a savings account.

At the end of a time agreed on by you both, perhaps three months and the child can spend the saved money exactly as they wish. If they choose to 'waste' it on lollies they can do so. However most children want something special and usually prefer to save for that particular thing and not waste it on a brief pleasure. This helps teach them the value of saving. Another way treat pocket money as a way of punishment. Parents must be careful not to use pocket money as a way of punishment to their children.

Often, parents use a€? suspension of pocket moneya€™ as an easy way of punishing their children. This format of punishment is not wrong to use but must be applied carefully. For example if the child has broken a beautiful vase and you want him/ her to understand the value of the same, you can penalize the child by deducting/ taking away the montha€™s pocket money. But you cannot start using pocket money as a weapon to get the child to abide by all your wishes.

For example you might want your child to have two glasses of milk everyday which he may not want to; in such cases by incentivizing the child for more pocket money will be wrong to do since such a format of giving money is not pocket money but a€? bribea€™. Similarly, pocket money penalty cannot be used as a blanket punishment to all wrong-doings. If the child starts feeling

that he/she will never really get pocket money due to some punishment, he/she might be tempted to steal money from parents.

If you decide to give pocket money you need to work out, how much is reasonable, whether the money will be paid for doing chores, how much must be done to earn it, and how much is simply because a€? you are a member of the familya€™, how much each job is worth, whether all children get the same amount or the older child gets more, how much control parents will have over the use of pocket money or do they have to save some, what can they buy with it, when you will pay? Because the children won't learn about the responsibility of money if parents don't honor the agreement.