



## 1. Pay yourself first

### SIMPLE/QUICK ACTIVITY

#### Open a bank account

- Encourage and/or support (for example match savings after a set period of time of consistent saving) your child to open a savings account if they don't already have one.
- Encourage and/or support your child to open a transaction account if they don't already have one. They'll need to have one eventually, and this also provides an opportunity to discuss the different purposes of savings and transaction accounts.
- Support your child to set a savings goal and then create a plan to achieve it. Opening a separate savings account for a savings goal improves the chances of success of achieving the goal. This process also delivers practice in impulse control and delaying gratification – the natural enemies of saving.

#### Key outcomes of this activity

Paying yourself first by saving a percentage of ALL income is a proven approach to achieving your financial goals. By completing this activity you're supporting your child to develop an early positive savings habit and setting them up to:

- Achieve their short, medium and long-term financial goals.
- Understand the concept of opportunity cost by forgoing current pleasures for more significant future benefits.

### EXTENDED TIME ACTIVITY

#### Group saving

- Negotiate on a specific percentage of ALL income (including wages, gifts etc) for EVERY family member (including parents) to put aside for savings. Follow up with regular checking in on progress for everyone over a set period of time. A reward (cash to savings a/c, privilege, etc) could be offered to each child who stays on plan.

#### Key outcomes of this activity

Paying yourselves first by saving together as a family increases the odds of saving success. By completing this activity children (and most likely the adults as well!) will:

- Be supported to achieve financial goals (short, medium and long term).
- Understand the concept of opportunity cost by forgoing current pleasures for more significant future benefits.
- Be easily able to practise this rule of thumb within a secure and safe environment.
- Develop confidence in saving independently by following the example set by parents.

### Resources, links & information

[FBF Factsheet: Saving](#)

**These resources and links should not be considered an endorsement or recommendation of the site or its services. They are provided as examples only.**



#### Disclaimer:

The information on this fact sheet is general educational information. It is not financial advice. Financial Basics Foundation is not a financial advisor. The information is designed to improve your financial literacy by increasing your awareness and understanding of the topics described.

