

HOW TO RAISE A FUTURE MILLIONAIRE

It is a reality that money skills are really not properly taught at school. Parents who want their children to be savvy about money matters should make this part of the lessons they teach their children at home. Here are some pointers:

- Help them build their own budget and then teach them to monitor and maintain the budget on a monthly basis. This is the cornerstone of any great business or successful investor and should be an important part of any money home schooling. It must become a discipline at an early age and you need to teach them to stick to the budget every month – this is where most adults fail in budgeting.
- Give them the ability to cover shortfalls in their budget by doing additional chores at an agreed price. This links the concept of work and money and teaches them the real value of money.
- Teach your child to read a credit card statement, how to calculate interest – the actual cash cost etc. Most adults don't really understand percentages and what they mean in rand terms.
- How to manage debt: personal loans, home loans and credit cards. Different interest rates, actual cost of money over time.
- Teach them to start a small business: develop a budget, identify a market and manage cash flow.
- Start involving them in your own financial decisions when they reach high school. Discuss your retirement fund, family budget, other investments.
- If it takes 10 years to become an expert in a specific area, then starting your child's money education at an early age will give them a real advantage in life.
- Life cannot be completely easy for them, some difficulty is necessary. Sometimes this role can be played by team sport or endurance sport.