Lifestyle Financial Planners

Teaching Children About Money

Ireland faces a financial literacy crisis that begins in childhood and reverberates throughout adult life. Recent research from a comprehensive Bank of Ireland report in 2023 reveals alarming gaps in basic financial understanding among young Irish adults.

Fewer than five in ten young Irish adults feel genuinely in control of their finances, which reflects fundamental gaps in dealing with major life decisions from purchasing property to retirement/estate planning, to everything in between

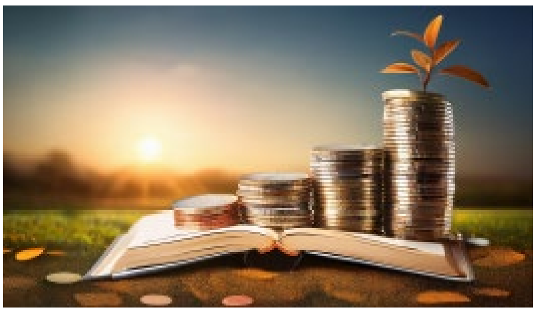
Whilst Irish schools incorporate elements of financial literacy into curricula, the evidence clearly shows that classroom learning alone cannot bridge the practical knowledge gap that separates financially confident adults from those who struggle with basic money management.

The solution I feel requires a coordinated effort between parents, schools, and financial institutions. However, the primary responsibility rests with parents, who serve as a Child's first and foremost influencer. Every transaction parents make, every financial conversation they have (or avoid), and every money decision they demonstrate shapes their children's future financial capabilities.

The guidance I have provided in this article draws on over 40 years-experience witnessing first hand, the consequences of inadequate financial education and the transformative impact of early, comprehensive financial learning.

1. The Critical Role of Parental Financial Education

Research demonstrates that parental involvement in financial education creates lasting impact. The research paper reveals that only 48% of 18-34 year-olds feel in control of their finances, highlighting the consequences of inadequate early financial education.

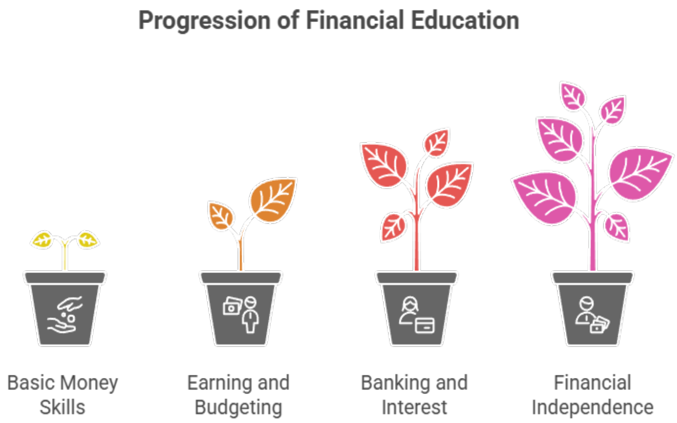


While schools do cover some financial topics, parental teaching shapes lifelong financial behaviours. Children observe daily financial decisions, from grocery shopping to bill payments and internalise these patterns. The most effective financial education occurs through consistent parental demonstration rather than formal education.

Parents who openly discuss financial decisions, demonstrate budgeting discipline, and involve children in age-appropriate money conversations create foundations for financial competence. Research by behavioural experts David Whitebread and Sue Bingham of Cambridge University shows financial habits form remarkably early, often by as young as age 7. Simply leaving financial education to schools or assuming children will "figure it out" when they're older, ignores this critical developmental window.

2. Age-Appropriate Financial Learning Steps are key

Effective financial education follows developmental stages rather than arbitrary timelines:



Ages 4-7: Focus on basic money recognition, counting coins, and distinguishing needs from wants. Simple "shop" games provide safe practice environments for these fundamental concepts.

Ages 8-11: Introduce earning concepts, basic budgeting with pocket money, and goal-setting for small purchases. Children can grasp the concept of work and reward.

Ages 12-15: Expand to banking fundamentals, interest concepts (both earning and paying), and digital payment literacy.

Ages 16-18: Advance to comprehensive budgeting, understanding credit, tax basics and practical preparation for financial independence. Older teenagers can handle and want to understand complex financial scenarios and long-term planning concepts.

3. Integrate Practical Daily Financial Education

The most effective financial education integrates seamlessly into family routines:

Grocery Shopping: Involve children in price comparison, budget adherence, and list-making. This builds practical numeracy skills and value assessment capabilities whilst demonstrating real-world financial discipline.

Household Budget Discussions: Age-appropriate conversations about family expenses help children understand that money has limits and requires allocation decisions.

Savings Goal Tracking: Whether physical piggy banks or digital trackers, visualising progress towards specific purchases teaches delayed gratification now towards goal achievement later.

Structured Allowances: Regular, predictable income allows children to practice budgeting safely. The key is consistency and non-interference with their choices within reasonable boundaries—let them experience both good and poor decisions whilst stakes remain low.

These activities cost very little but provide invaluable practical financial education through everyday experiences.

4. Are there any Irish-Specific Resources and/or Educational Tools I would recommend?

Several Irish institutions provide evidence-based financial education resources:

Brokers Ireland Future Financial Experts: This comprehensive financial literacy programme which Lifestyle Financial Planners are proud to have actively participated in over the years is aimed at and seeks to bridge the knowledge gaps in financial literacy among Transition Year students. Delivered through four structured modules, mentoring students to manage finances efficiently and reduce personal debt as they transition into adulthood.

Competition and Consumer Protection Commission (CCPC): Ireland's statutory body responsible for promoting financial education development offers programmes such as “Our Money, Our Future” that enables development of financial literacy skills for young people.

5. Any Digital Banking Tools for Young People?

Digital banking tools like Revolut's Under 18 accounts offer compelling educational opportunities when used appropriately. Features like savings jars provide visual goal-setting, whilst spending analytics develop budgeting awareness through real-time feedback.

However, in my humble opinion, technology alone can only provide limited educational value. The true benefit emerges when parents actively engage with financial transactions and spending patterns with children, discussing decisions and exploring alternatives, empowering them to understand the basics early on and develop life-long success.

6. Building Long-Term Financial Resilience

I'm strongly of the opinion that early financial education should emphasise adaptability and critical thinking rather than rigid rules and we should consider introducing entrepreneurship concepts early. Many successful Irish adults began small enterprises in childhood, from selling garden produce to providing local services. These experiences build financial confidence and business acumen, valuable throughout life.

Engaging and insightful financial education should reduce anxiety and increase confidence around money decisions. When young people understand basic principles and have practiced decision-making in safe environments, they approach adult financial responsibilities with competence rather than fear.

The evidence strongly supports early, consistent, practical financial education as one of the most valuable foundations parents can provide. Children who experience structured financial learning develop skills that benefit them throughout their economic lives.

Conclusion: Investing in Ireland's Financial Future

Investing in financial literacy at an early age is not merely advantageous now, but also essential for the next generation. When children understand the relationship between earning, spending, saving and investing, they approach adult financial responsibilities with confidence rather than anxiety.

Irish parents have access to exceptional resources through organisations like the CCPC, established programmes like Brokers Ireland's Future Financial Experts, and digital tools designed specifically for young learners. However, these resources only deliver value when parents actively engage with the learning process, treating financial education as an ongoing conversation rather than a one-time lesson.

Ireland's financial future depends on raising a generation capable of making informed financial decisions. Parents who prioritise financial education today are investing not only in their children's individual prosperity but in Ireland's broader economic resilience and prosperity.

Take Action: Start Your Child's Financial Education Today

Begin financial conversations early, regardless of your child's current age. Start with age-appropriate activities like those outlined previously.

Remember: financial education is an ongoing process, not a destination. Consistency and practical application matter more than perfect knowledge. Your child's financial future begins with the conversations and habits you establish today.

If you would like to discuss how we can help you in this matter, then please get in touch. Email info@lifestylefinancialplanners.ie or call 096-75951 to reserve your complimentary **Discovery Meeting**.

The information contained in this article is for general information only and subject to change. It should not be used as the basis for any form of agreement or advice. We recommend readers seek separate tax and/or legal advice where necessary. This information does not take account of your own individual circumstances. Errors & Omissions Accepted. Lifestyle Financial Planners Ltd t/a Lifestyle Financial Planners is regulated by the Central Bank of Ireland