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Back to the Future

Instilling financial responsibility in children is a crucial aspect of their development. Learning the basics of saving, delayed gratification, and wise money management from an early age can lay the foundation for a lifetime of financial well-being. Here are 30 practical tips to help parents raise financially responsible children.

Investing in the financial future of a child requires more than just provision. It is also our duty, as parents, to teach our children how to stand on their own two feet and be productive members of society.

Earn Their Own Money: Provide a regular allowance or pocket money in exchange for completed chores, emphasizing the link between effort and reward.

Piggy bank: Have your child create savings jars labeled "Save," "Spend," and "Give," encouraging responsible money management from an early age.

Schedule for Delayed Gratification: Use schedules or a similar method to teach the concept of delayed gratification, emphasizing the connection between time and reward.

Rich Dad, Poor Dad: Foster positive discussions about money, emphasizing its role as a tool for good rather than using patronizing phrases like "money doesn't grow on trees."

Teach the Source of Income: Explain to children where the family's money comes from and how it is earned, helping them understand the value of hard work.

Grocery Shopping Experience: Take children grocery shopping to witness price comparisons, decision-making, and the exchange of money, providing valuable insights into budgeting.

Create Timelines: Develop timelines with your child, especially when saving for specific goals, helping them grasp the relationship between time and money.

Read Money-Centric Stories: Explore well-written children's stories that impart meaningful lessons about money, hard work, saving, and generosity.

Play with Fake Money: Introduce fake notes and coins for imaginative play, allowing children to set up a "shop," trade, negotiate, and understand basic financial concepts. Play Monopoly!

Visit the Bank: Expose children to the concept of a bank early on, emphasizing the importance of keeping money in a safe place.

Open a Bank Account: Set up a bank account for your child, ideally with online access, to familiarize them with the digital aspects of money management.

Distinguish Wants from Needs: Continuously discuss the difference between

wants and needs, encouraging children to filter purchasing decisions through this lens.

Set Goals in Writing: Have children write down their goals or savings targets, revisiting them periodically to teach the importance of thoughtful financial planning.

Offer Choices and Consequences: Allow children to make purchasing mistakes within limits, presenting them with choices and letting them experience the consequences of their decisions.

Practical Lessons on Interest: Demonstrate the concept of interest using a simple day planner and a treat, illustrating how money can accumulate over time.

Encourage Entrepreneurial Thinking: Stimulate creative thinking by encouraging children to identify additional chores and negotiate fair prices for completing them.

Be Their Creditor: Introduce the concept of borrowing by allowing children to borrow money for a significant purchase, emphasizing the importance of repayment.

Teach Expense Tracking: Provide a blank notebook for children to track their expenditures, instilling the habit of keeping financial records.

Share Your Household Budget: Simplify your household budget to make children aware of the costs associated with school fees, mortgage, car payments, and groceries.

Utilize Age-Appropriate Apps: Introduce age-appropriate budgeting apps when children are old enough to track their expenses independently.

Teachable Moments: Seize everyday opportunities to impart valuable financial lessons, turning routine events into teachable moments.

Encourage Entrepreneurial Ideas: Discuss innovative ways to make money, showcasing real-life examples and encouraging children to brainstorm their own ideas.

Diversify Career Perspectives: Dispel the notion that a university degree is the only path to success, emphasizing the value of lifelong learning and diverse career paths.

Lead by Example: Demonstrate responsible financial behaviour by avoiding materialistic judgments, showcasing prudent spending, and openly practicing charitable giving.

Teach Custodianship: Emphasize that money is a tool for good and instill the concept of custodianship, encouraging responsible use for the benefit of others.

Involve Them in Family Decisions: Include children in family decision-making processes, helping them understand the long-term impact of choices on future finances.

Encourage Informed Decision-Making: Task children with researching major purchases, promoting informed decision-making by considering various factors.

Introduce Online Trading: When age-appropriate, set up an online trading account for children to practice buying and

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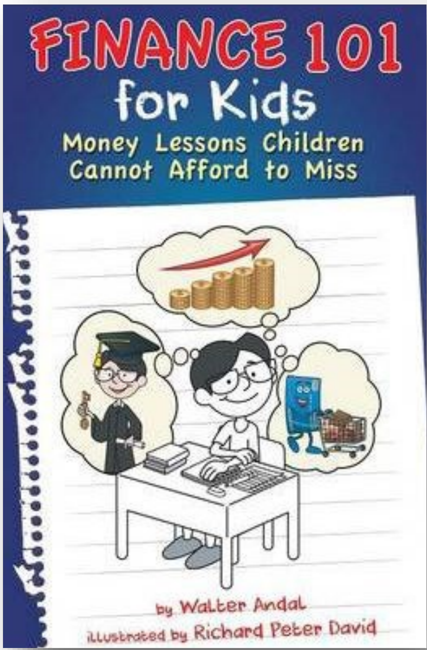

In *Finance 101 for Kids*, children and parents will explore:

- How money started
- How to earn and make money
- Saving and investing
- What credit is and the dangers of mishandling credit
- What the stock market is
- Economic forces that can affect personal finance
- What currencies and foreign exchanges are
- The importance of giving back to the community

selling shares, fostering financial literacy.

Promote Scholarship Applications: Encourage children to apply for scholarships and bursaries, teaching them the value of hard work and self-marketing.

Teach the Joy of Giving: Reinforce philanthropy by allowing children to decide how to use the money in their "Give" jar, instilling a lifelong appreciation for generosity.

By incorporating these practical tips into parenting strategies, parents can play a significant role in shaping financially responsible and savvy individuals for the future.

Back to the Future - The original script was very different to what we see in the movie

The movie flows so well that it's almost difficult to imagine it wasn't written in one draft, but there were lots of changes throughout the writing process. Some of the key amends were:

- Marty's surname was, originally, not McFly, but McDermott.
- The famous clocktower climax to the movie wasn't part of the script. Instead, Marty and Doc would visit a nuclear test site in Nevada and a nuclear explosion would send the DeLorean back to the future. This was changed because the whole sequence would have proved too expensive.
- The final scene originally didn't play out how it does in the film, with Doc turning back up at Marty's house and taking him and Jennifer on another adventure. It originally ended with George looking at a 1955 newspaper with a picture of Marty playing Johnny B. Goode on stage, and saying, *"It can't be. But it is…"*

Gone phishing

We have all heard the stories of the unsophisticated, but often successful, scam emails. In fact, many of us have a good laugh and wonder how anyone could have fallen for schemes that are resplendent with comical use of language and grammatical mistakes. Beware because those days are over. Scammers have become increasingly canny and are now armed with freely available tools on the internet that could easily fool you.

Legitimate businesses aren't the only ones paying attention to recent advances in commerce, communication and artificial intelligence. As the current slate of identity and financial theft scams makes clear, online fraudsters are on the hunt — and evolving their tricks.

But knowing about these sneaky schemes can help you stay safer in 2024. Artificial intelligence is the number one culprit. It can be a key weapon in helping stoke up false trust. As its capabilities and use explode, AI is increasingly becoming a worry for consumers afraid of getting fooled.

AI writing eliminates the telltale typos and grammatical goofs of such missives, meaning it's easier to trick people. The bots can also accurately mimic the editorial voice and cadence of any type of

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What are the different types of phishing attacks?

Phishing attacks are social engineering attacks, and they can have a great range of targets depending on the attacker. They could be generic scam emails looking for anyone or it can also be a targeted attack focused on a specific individual. The attacker often tailors an email to speak directly to you, and includes information only an acquaintance or official would know. An attacker usually gets this information after gaining access to your personal data. If the email is this type, it is very difficult for even the most cautious of recipients not to become a victim.

What is spear phishing?

Fishing with a net may land you a number of items below the waterline but fishing with a spear allows you to target a specific fish. Hence the name. Spear phishing targets a specific group or type of individual such as a company's system administrator.

What is whaling?

Whaling is an even more targeted type of phishing that goes after the whales. These attacks typically target a CEO, CFO, or any CXX within an industry or a specific business.

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official or business source including that of financial institutions and government agencies.

According to a report by cybersecurity consultant SlashNext, this superior botwriting has helped to fuel a staggering 1,265% rise in the number of malicious emails between 2022 and 2023. Many, even most, of those nasty new messages are phishing attacks that use deceptive means to obtain a user's email address, ID or password combination. There's also been an uptick in smishing (phishing via fraudulent SMS text messages) and quishing (phishing via bogus QR codes).

How to stay safe

Resisting these scams requires following the customary steps to protecting your identity — but with heightened awareness and caution. Knowing that typos and odd phrasing will no longer easily alert you to a bank imitator, for example, means you need to verify the identity of "bank representatives" who contact you before clicking or signing anything.

Impersonations of government officials are also on the rise. In particular, any communication from a purported government official should not be acted upon until you've located said person on a credible website, like a departmental directory or legitimate LinkedIn profile.

Another widely used tactic is the use of familiarity as a trust building scheme. You may believe that you have safeguarded all your social media however the same may not be said for your friends. Don't be duped by the many scammers today who imitate friends, using information stolen from social media posts and profiles, to carefully concoct a scam. Just because something sounds right doesn't mean it's real.

More than ever, do not trust even the personas of purported friends for any request that involves money or personal details. Rather than simply handing over your bank account number in response to a call for help, you should call your friend to verify that your online correspondent is really them (or someone they've indeed empowered to assist them). In particular, steer away from disclosing your phone number or ID number to anyone whose credibility you haven't double-checked.

Credit score

Make it a habit to pull your credit reports from time to time to be sure your identity has not been hijacked without your knowledge to open new bank accounts or other credit products. All South Africans are entitled to one free credit check per year. There are several companies that offer this service however the site easiest to use is Clearscore (www.clearscore.com).

Gone are the days when a laughable email promising the riches of a prince in a faraway land couldn't fool you. Today the schemes have become increasingly elaborate and worthy of fooling even the most savvy of individuals.

Financial tips for new parents

Becoming a parent is one of the most exciting things that can happen in your life, but if you're not prepared for it financially, it can quickly become extremely stressful. With someone relying on you to care for them now and for many years to come, you'll want to make sure your finances and estate plan are set up properly to support you through parenthood. Here are some items you'll want to consider prioritising as new or soon-to-be parents:

Update Your Budget

As you likely already know, having a baby can be expensive. Recent calculations put the cost of raising a child for an average middle-income family at R1,681,470 from birth to age 18 (not including their tertiary education) (Cape Business News 31 Oct 2022). However, this will differ from household to household and depends on various factors and the real cost could amount to significantly more. With inflation the cost of raising a child could easily be closer to R3 million from birth to age 18.

Creating a budget breaking down the amount and timing of household expenses will help ensure your income can support your obligations and that you're allocating your money in alignment with your goals and priorities. There is likely to be a reduction in your income at some point throughout maternity and/or paternity leave, and by planning in advance you can save to account for any income shortfall you might experience. In addition, there will be new expenses such as nappies, baby formula, clothing, nursery decor, education savings, childcare and more which you'll need to budget for. Depending on your situation, this may necessitate a reallocation of spending or a reduction in savings to cover these costs.

Add your child to your medical aid plan

Register your child as a dependant on your medical aid and gap cover as soon as possible after birth. Most medical aids have a time limit within which a baby can be added to a plan without applying any conditions. Once your child is registered with Home Affairs, provide your medical aid with a copy of his/her birth certificate to ensure that all ensuing medical care is covered by the medical aid. Check that you and your partner are on the most appropriate medical aid plan. If your newborn baby has any specific medical needs, you may want to consider changing or upgrading plans for the following year. The first few years of your child's life can be particularly expensive when it comes to medical costs, so think carefully about a plan that meets your family's needs.

Review your life insurance

Although nobody wants to think about leaving their loved ones behind, taking out life

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What is smishing?

Smishing is an attack that uses text messaging or short message service (SMS) to execute the attack. A common smishing technique is to deliver a message to a cell phone through SMS that contains a clickable link or a return phone number. A common example of a smishing attack is an SMS message that looks like it came from your banking institution

What is vishing?

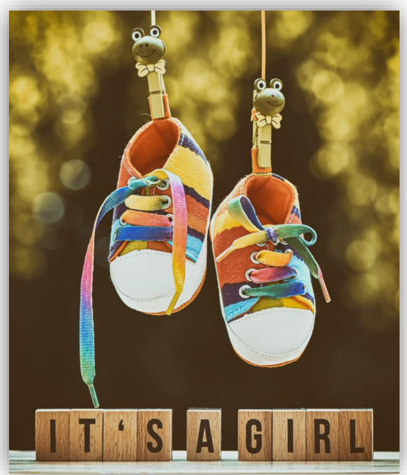
Vishing has the same purpose as other types of phishing attacks. The attackers are still after your sensitive personal or corporate information. This attack is accomplished through a voice call. Hence the "v" rather than the "ph" in the name. A common vishing attack includes a call from someone claiming to be a representative from Microsoft

What is email phishing?

Email phishing is the most common type of phishing, and it has been in use since the 1990s. Hackers send these emails to any email addresses they can obtain. The email usually informs you that there has been a compromise to your account and that you need to respond immediately by clicking on a provided link.

What is search engine phishing?

Search engine phishing, also known as SEO poisoning or SEO Trojans, is where hackers work to become the top hit on a search using a search engine. Clicking on their link displayed within the search engine directs you to the hacker's website. From there, they can steal your information when you interact with the site and/or enter sensitive data. Hacker sites can pose as any type of website, but the prime candidates are banks, money transfer, social media, and shopping sites.



While there is no doubt becoming a new parent can be overwhelming, checking these items off of your financial to-do list will ensure your finances are organised in a manner that supports your goals and wishes, and just might make your journey into parenthood a little less stressful!

insurance is one of the most important things you can do as a new parent. Life Insurance has many uses, but when it comes to new parents its purpose is primarily to replace your income, pay off debts, fund childcare, and even fund your child's education in the event you pass away.

If you already have life insurance, you'll want to consider whether the amount is sufficient as well as update your beneficiary nominations to ensure they reflect your current wishes.

Review your Will

While it could be argued that every adult should have a Will, there is no question that every parent needs one. There are many uses for a Will, but its most important use when it comes to parents with young children is the ability to appoint a guardian to care for them in the event both parents pass away. Without a Will in place, you're choosing to leave this decision up to the courts to decide.

You should also consider setting up a testamentary trust in your Will which will house any assets bequeathed to your minor child until he or she is old enough to take care of themself as well as stipulating the age you want your minor children to receive their inheritances if you would prefer them be older than the default age of majority in South Africa, which is 18 years old. In the absence of a valid Will with trust provisions, your executor may be required to pay your child's inheritance over to the Guardian's Fund administered by the Master of the High Court.

If you already have a Will, great! But you'll want to ensure it is up-to-date by adding a legal guardian as well as adding your children as beneficiaries or contingent beneficiaries.

Start Saving for Education

The cost of a child's education has been on the increase over the last 20 years. The upward trend tends to increase with inflation (CPI) +2% for education fees. A recent study revealed that at the current trend, the cost of education in 2035 will be as follows:

- Public Primary or High School: R149 800
- Private Primary School: R366 700
- Private High School: R588 800
- University: R254 700

With these crazy numbers in mind, parents should start saving for their child's future as soon as possible.

Increase Your Emergency Fund

The purpose of an emergency fund is to protect you from incurring high interest debt or liquidating investments in the event of unforeseen expenses, which are now much more likely with children in the picture. If you already have an emergency fund, now is a good time to reevaluate whether it's sufficient based on your additional monthly expenses. If you don't have an emergency fund, start setting aside funds until you reach a level of savings you're comfortable with based on your unique circumstances.