

Are you raising an Expat Brat?

The challenges faced by parents raising children in an expatriate environment are vast. Teaching money management from a young age is essential.

By Jacqui Rankin.

“I don't like Jetstar, why can't we fly Singapore Airlines?”

“I don't want to go to Bali again, I'm bored with Bali!”

With more people than ever moving overseas, there is a whole generation of expatriate children being raised. They are living a very different childhood to the one most of their parents had – one of first class flights, overseas school trips, holidays to luxury villas and live-in maids. It begs the questions: do expat children know how lucky they are?

Whether parents move overseas or remain at home, all parents want is what is best for their children. However, many expat children may not realise their lifestyle is anything but normal. It's critical to teach children to keep things in perspective, in order to give them the best chance for the future. Finding a balance is key; educating children to understand they are fortunate and to appreciate what they have will help to avoid the 'brat factor'.

Money Matters

Adjustment is often a problem. What happens when parents move back to their home country and their children have to re-adjust to a very different way of life? Or later in life when they go to university, are they equipped to manage their own finances? There are many stories of families having to move back overseas because their children are finding it too hard to adjust at 'home'.

It is commonly thought that talking about money is taboo, when in reality this is exactly what should happen. Parents should encourage discussions with their children about money and actively teach good money principles from a young age, in order to form habits to last a lifetime.

In my job, I come across adults, young and old, who have inadequate money management skills and suffer financially as a result. I often discover good money management skills are due to the



teachings of their parents.

It is never too young to start teaching your children about money. I recommend the book *Money Champ* by Daphne Fan, which teaches the basic principles of money management and is suitable for children aged three to 10 years. This book stresses the importance of starting early and introducing a system for forming, changing and reinforcing good money habits.

It doesn't grow on trees

One Singapore-based client realised he needed to start educating his children about money when, in response to being told he couldn't have a toy, his youngest son replied, "but all you need to do is go to that machine in the wall, Daddy".

Now all three of his children have a 'chore chart' to earn themselves pocket money. Shopping is now a family activity and another opportunity to teach the value of money and the children are set challenges to work out if special offers really are good value. The children love it and he can honestly say they know the cost of milk and butter – something many expat adults could not tell you!

Another expat mother and her husband have started teaching their two children about money and worth through a series of games and scenarios. One challenge is to organise weekly family dinners out, which must cost no more than \$80 for all four of them. Any money left over is saved for a special dinner out. The children also come up with options for family holidays at various

costs, e.g. for \$2500 or \$10,000, which must include flights, hotels and spending money. This helps teach them the real cost of holidays. Finally, both the children have their own bank accounts. POSB offer one of the best child bank accounts in Singapore.

Allowance

A common way to teach children about money is using an allowance system. It's a good learning process as well, as most children spend their allowance in an instant, and they soon realise money is not infinite.

It's important to set a sensible amount for allowance; it should be enough to allow children to experiment, but not too little that they need to ask for extra. As children get older, the amount should be raised to give a realistic setting for the future, much like pay rises.

The world is changing at a rapid pace and it's important the next generation is prepared. Every parent wants their children to be happy and teaching them how to manage money will help them have the best chance in the future. As long as they manage their finances, they can do whatever they want. Now that's real financial freedom.

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