

POCKET MONEY PESTS

CONVINCING YOUR TEEN THAT MONEY DOESN'T GROW ON TREES IS A SERIOUS BUSINESS. BUT THERE ARE WAYS TO STOP YOURSELF BEING NAGGED TO DEATH - AND TEACH THEM ABOUT SAVING AND SPENDING AT THE SAME TIME

When I was a teenager I desperately wanted

to be Indiana Jones. I longed to solve mysteries, save damsels in distress and to own an Indie-style whip. My mum said I could only have one if I saved my pocket money and did jobs around the house. The weeks passed as I slaved, saved and finally bought a long shiny leather whip. Buying it felt fantastic and cracking it in the air, well, to a movie-struck boy was a slice of paradise.

You may have guessed already I didn't become Indiana Jones Junior, but I did learn the value of saving. But how do you teach your teenager financial prudence with their allowance when all they want you to do is flash your cash?

Pocket money represents many things to teenagers: independence, status and the freedom to buy. And the Wall's annual survey of children's pocket money shows that increases

PESTER POWER IS PUSHING MANY HOUSEHOLD BUDGETS INTO THE RED

have been above the rate of inflation for the past five years; children aged between 11 and 13 now get £4 per week while children between 14 and 16 get around £5.50. Teenagers have never had it so good.

But regular pocket money is the tip of an expensive iceberg. The big money comes from hand-outs, money shelled out for doing jobs around the house and gifts like mobile phones, computers or the current must-have – the hallowed PlayStationz.

Teenagers have always specialised in nagging, but now it's getting serious and it has a new name: pester power. Paul Millins from National Debtline agrees that this can be a big problem for parents: "Pester power is pushing many household budgets into the red. It's a serious issue for those on lower incomes because their children still want the same clothes, games and computers as everyone else. And many parents sadly seem unable simply to say no to their

kids, regardless of the consequences."

So what are the answers? The first, as we've already highlighted, is the quick fix; they pester and you give in with a bribe. They're happy while they're tapping away at a computer game or chatting away on their new mobile. You have a lighter wallet but get a quieter life.

"In the short-term this will work," says Frank Furedi, author of *Paranoid Parenting* (Penguin Press, £9.99). "But the main problem is that by dealing with money in this way you're missing an opportunity to teach proper discipline and responsibility. So you're not doing your job as a parent, you're just doling out money because it's the easiest thing to do. The long-term consequence of the quick fix is that you'll continually have to give out money just to keep the peace. You might as well just hand them a blank cheque."

The second option is to actually give more pocket money but be very clear about what it has to cover – and that they have to manage it properly or suffer the consequences. Libby Purves, author of *Nature's Masterpiece* (Hodder & Stoughton, £10.00) says: "Pocket money is a fantastic opportunity to teach your children how to manage money. If it's handled properly they get a small taste of the responsibility, power and dilemmas of using money."

For instance, David, 15, struck a deal with his parents: he gets £50 a month with which to cover everything from school trips to computer games to clothes. "Fifty pounds seemed a lot at first," says David, "but the thing about my allowance is that I have to manage everything I buy. It's also conditional on me keeping my room tidy. If it's not tidy I don't get any money – which is a bit annoying. I earn extra money from babysitting next door, for which I get £3.50 an hour. Every month I save £10 for holiday spending money."

A third way to solve the problem is to encourage your teenager to get a job, but many parents are reluctant to take this line as they fear it might mean they study less – or worse still, that they'll have an independent income, which could be used to buy alcohol, cigarettes or drugs. ►►



MOBILE MOANS

Earlier this year Ian was offered

a free mobile phone. He was only 15 and unfortunately believed that 'free' meant 'no bills'. He signed some papers and took the phone home. A month later the bills started falling through the letter box. He had no way of paying and he soon started to receive threatening letters and later a demand to appear in court.

In many of these cases the parents end up stumping up the bills to keep the peace, but they're under no legal obligation to do so. The Citizen's Advice Bureau says: "A child or young person under that age of 18 cannot normally be taken to court for debt. This is because they cannot usually make a legally enforceable contract.

"There are two main exceptions, firstly if a parent has acted as a guarantor for a contract entered into by the young person (in which case the parent will become liable for any debts). And secondly if the debt is incurred for necessities like food, board and clothing."

Luckily for Ian and his parents, he was allowed to return the phone and the debt was cancelled.

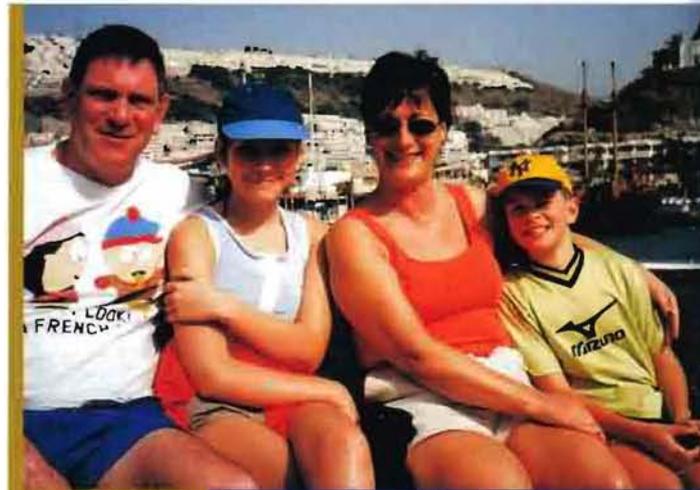
« Frank Furedi feels these worries are mistaken. "Jobs are very useful because they give teenagers a sense of reality, control and economy," says Furedi. "A job isn't a question of losing control, it's a way of fostering independence. My own policy is I'd rather my teenagers work part-time and learn to manage their money despite the slight risks entailed. They might make mistakes, but I'd rather that than give them money which will encourage them to become parasitical and subservient."

When the blackmail comes, as it inevitably will, don't be caught off guard. Furedi says: "At some point you're going to get your son or daughter saying that they want a mobile phone, and why can't they have one because Johnny's parents got him a mobile last week. My policy would be to say that our family have a different idea towards money, we don't spend money on material things, we'd rather spend it on holidays. But if your teenager really wants a mobile phone, suggest that they should look at saving their allowance or getting a job."

Ask most young children where they think money comes from and they'll probably say it magically appears from a machine in the wall. So it shouldn't be too surprising then that these children grow up into teenagers who think that they too will be able to take cash, mobile phones and clothes from some invisible benevolent provider. Avoid this scenario by teaching them responsibility for handling money at an early age. There has to be some sort of sacrifice in order to provide. You can encourage teenagers to save by opening an account, and when they ask for a big item, suggesting they save for it. ■

CONTACTS

Citizens Advice Bureau
www.adviceguide.org.uk
(Your nearest centre is listed in Yellow Pages)
National Debtline
0808 808 4000
www.nationaldebtline.co.uk
Parenting Today's Teens
www.parentingteens.com
Parentline 080 8800 2222
www.parentlineplus.org.uk



REAL LIVES

EARN IT, SAVE IT, SPEND IT

Lorraine and Glenn Billings from Harrogate have very different money strategies for their two children Robert, 12, and 14-year-old Emma.

"Robert gets £2.00 a week which he instantly blows on chocolate and sweets. Occasionally I'll give him just £1.00 at a time so he doesn't pig out so much. But he only gets pocket money if his bedroom is really tidy, and we're quite strict about that.

"Emma doesn't have pocket money as such but we do pay for her horse riding lessons. And if she goes into town we'll give her the bus fair and some money to buy a burger and milkshake or go swimming.

"Both children can earn extra money by doing jobs around the house. Emma might clean the bathroom for £2.00 and we'll give Robert the same for doing some gardening.

"When Emma asked for a mobile phone last year, we refused, so she decided to get a paper round to pay for it. Most of the £12.50 she earns goes on mobile phone vouchers. Emma's out at 7.30am every morning which I'm not too happy about. I feel she's not getting enough sleep, but she's adamant she wants to do it. I was shocked actually; when she started I didn't think she'd have the self discipline to stick it out.

"Sometimes she'll ask me: 'Do you think I'm daft spending all my money on my phone?' and I'll say: 'It's your money, you've earned it, you can do what you want with it'. It's up to Emma to find out for herself whether her phone is worth it."

TEEN SPENDING

HERE'S WHAT PARENTS SAY THEIR CHILDREN SPEND MONEY ON, ACCORDING TO WALL'S ANNUAL POCKET MONEY SURVEY 2001



ITEMS	TOTAL	BOYS	GIRLS
SWEETS/CHOCOLATE/ICE CREAM	53%	51%	56%
MAGAZINES/COMICS	29%	23%	36%
MUSIC	26%	23%	30%
SAVE SOME/ALL OF IT	24%	24%	24%
COMPUTER GAMES AND EQUIPMENT	19%	33%	5%
SOFT/FIZZY DRINKS	17%	19%	14%
SPORTING ACTIVITIES	12%	13%	10%
COSMETICS	12%	1%	23%
CLOTHES AND SHOES	15%	6%	24%
MOBILE PHONES	13%	11%	16%
COLLECTABLES (eg Pokémon cards)	8%	12%	4%
STATIONERY	7%	5%	9%