

How to stop your kids falling into debt trap

LAN children need financial skills now to make the same as their parents, expect the next generation the current national credit-card debt of \$14 billion by being at managing their

0 per cent of adults were not taught money properly, widespread trouble and poor cash flow.

By CLAIR WEAVER

National Australia Bank is among several institutions promoting money-management programs to children, such as its Smart Junior Saver Account, with bonus interest incentives.

"Teaching responsible money management is a cradle-to-grave issue," an NAB spokesman said.

"As soon as children are old enough to understand the value of money, parents should

be talking about it and teaching them to save.

"They also need to keep looking at which products and services suit them best at various stages of their lives."

Jane Nash, ANZ's head of government and regulatory affairs, said there was an increasing need for children to understand money from school age.

"Kids are coming into a world where they have got much more choice about financial products and services," she said. "They get mobile phones

relatively young and when they go to university, they have to pay their way."

Finance analyst Greg Smith believes education is the key to future economic stability.

"It's all about knowing basic money skills for which I believe parents should accept full responsibility in teaching their children before it's too late," Mr Smith said. "This will ensure their child doesn't repeat the same financial mistakes."

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