

» 08 WAYS TO TEACH
YOUR KIDS ABOUT
MONEY

HOW SINGLE
MOTHER CAN
EMPOWER
THEIR KIDS?

TOP MEMES »

- » FINANCIAL LITERACY FOR KIDS
- » WHAT ARE CHILDREN'S MUTUAL FUNDS AND HOW DO THEY WORK?



Wealth360

MONTHLY
MARKET GLANCE »

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THIS MONTH, OFFER YOUR YOUNGSTER THE GIFT OF FINANCIAL KNOWLEDGE.

What is the significance of financial literacy for children?

Most parents offer their children a piggy bank in which they can store their spare change, birthday money, or monetary gifts from relatives/families. This concept assists them in maintaining a saving discipline. However, financial markets are complicated and go much beyond the concept of solely saving. If youngsters comprehend the notion of financial markets at their appropriate age, they will be less likely to invest in the

improper financial instruments later on.

When children understand the concept, they can influence their families by teaching them the value of saving and taking the required steps to better manage their money. Thus, spreading the concept of financial literacy and creating financial awareness among children can be a great help.

As a parent, wanting the best for your child extends beyond providing them with the nicest toys, the most fashionable clothes, or the most expensive technology. Yes, to the best of your ability, you should provide a cocoon of materialistic luxuries for your child, but equipping them with life skills comes first. Money lessons are essential for setting the groundwork for your child to become a well-rounded adult.

It is widely acknowledged that our educational system places insufficient focus on teaching youngsters how to manage money. The introduction to the world of money management typically occurs in early adulthood, and the journey is frequently defined by a series of ups and downs.

Parents who take early steps to teach their children about money can save them from a lot of painful experiments later in life. Parents can influence their children's attitudes toward money by educating them about the importance of money in our daily lives and overall well-being. Here are a few ways to introduce your child to the world of financial literacy this November.



Beginning at a young age.

The earlier a youngster begins his or her financial education, the better. This is because, as they grow older, you will have the chance to teach your children age-appropriate money lessons as parents and guardians. This strategy is preferable than waiting until they reach puberty and then attempting to teach them money management in a few years.

Yes, kids may make money as well.

The way we value money is a vital aspect of our connection with money throughout our lives. This perceived worth influences how we handle our financial resources and, eventually, our future. Teaching children that money must be earned is a wise method to teach them that money is a finite resource, and it will also help them

By that point, they are likely to have formed opinions about how money affects their lives, and those opinions may be incorrect. If you're stuck on how to start talking to your young children about money, simply introducing them to coins and cash can be a good starting point. You can let them see you make purchases to explain to them how money works.

acquire the ability to prevent waste. As a parent, you might consider giving them a small allowance in exchange for helping out with some chores or tasks. You should also inform them that if they require additional funds, they will have to take on additional responsibilities.

Encouraging them to preserve.

All children's initial thoughts regarding money are about spending. They recognise money as a resource by watching their parents and family members purchase them stuff, and the notion of saving does not dawn on them until they are in their late teens or early adulthood. Thus, teaching kids the value of saving from a young age might help them acquire financial prudence early on.

In stilling discipline and delayed gratification by encouraging children to establish the habit of saving is also an excellent approach to impart discipline and delayed gratification. You may assist kids in saving by defining a goal for them and establishing a piggy bank or jar in which they can keep their savings.

Getting them started with budgeting.

After teaching children the habit of saving, the next stage is to educate them how to live within a budget. As a parent, you might begin by including them in talks about the family budget. Following that, you may sit down with your child and assist them in creating their own budget. Budgeting is the foundation of any

financial plan, and having children create their own budget can help them build a feeling of ownership over their money as well as confidence in money management. Another advantage of knowing how to budget is that it will help them distinguish between necessities and wants.

I'm in favour of investing.

A financial literacy strategy would be incomplete without mentioning the investment part. As a parent, you should teach your children that saving and budgeting are not the final objectives, and that in order to grow wealth, they must learn to invest money. Educational content, such as age-appropriate books, videos, tales, or

even movies, can be a pleasant approach to begin the conversation about investing. Once your children understand the fundamentals of investing and you are confident that the time has come, you can begin involving them in family discussions about investing, particularly those involving their future.

Maintain good financial hygiene and discipline.

No amount of financial literacy education for your children will be effective if you, as a parent, do not practise excellent financial habits in your daily lives. Children's minds are very malleable, and their perspectives are significantly impacted by those who around them. So, if you tell them about the necessity of saving and then whine about unnecessary costs at the end of the

month, you are setting a bad example. For your child to develop healthy money habits, parents must practise what they teach and be careful of how they manage money when they are around youngsters.

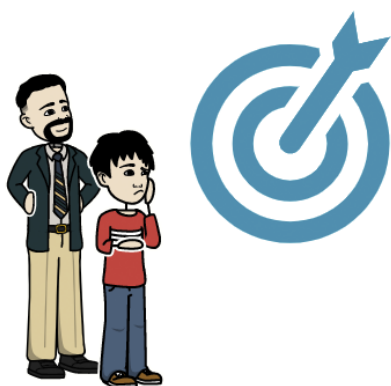
08 WAYS TO TEACH YOUR KIDS ABOUT MONEY

8 ways to teach your child about money management



Create jars for both saving and spending.

One of the simplest ways to teach kids about money is to create a saving and a spending money jars. When they receive their pocket money, ask them to divide the money between both saving jars, explaining that they can both buy things now and save money for bigger purchases.



Set saving goals.

It's easier than you may think to teach kids about saving from a young age: ask them to choose a toy they want and explain how much of their pocket money they'll need to set aside each week/month to afford it in a certain time frame. Top up their savings every time more money is added to the pot.



Let them make household spending decisions.

Another great way to teach kids about money is to encourage them to make household spending decisions. When they're a little older, give them a small amount of money when you go shopping and tell them they're responsible for buying certain things, such as the fruit for the week, and that it all has to come from that money. buying certain things, such as the fruit for the week, and that it all has to come from that money. This is a smart way to teach your kids about money as they learn to make their own financial decisions.



Open a savings account for them.

Explain how savings accounts can make their money grow over time (even with relatively low interest rates) and show them how their balance is changing over time.

08 WAYS TO TEACH YOUR KIDS ABOUT MONEY

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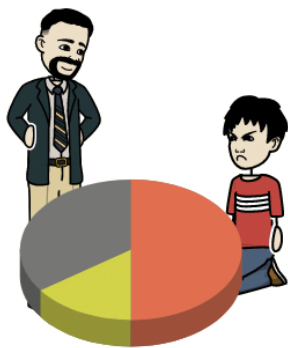
Involve them in family financial conversations.

Another great way to teach your kids about money is to get them involved in family finances. Describe the situation to them in their terms too: how would they cope if their favourite toy broke and they had to replace it? Would they have enough money saved up to do so?



Give them the chance to earn money.

The earlier children start working and understand what it's like to earn their own income, the more likely it is that they'll become more independent from a financial point of view. Children as young as two to three-year-old are able to start learning this concept. Did they clean their room or make their bed? Reward them for completing the chore. Even if it's a dime in the moment, inculcate the habit of earning in your child.



Help them to keep track of their finances.

While spreadsheets may not be suitable for young children, you can draw up a piece of paper that has incoming money in one column and outgoing money in the other column to show how much they are spending and how much they have left. If they learn to keep track of their money from a young age, they may well find it easier to do so in the future.



Leave Room for Mistakes.

Putting kids in control of their own money is letting them learn from their errors. It is tempting to step in and steer kids away from a potentially costly mistake, but it may be better to use that mistake as a teachable moment. That way they will know in the future what not to do with their cash. Teaching kids about money, including how to save and spend wisely, can set them up for long-term success.

TOP MEMES

The top finance memes of Oct 2022




Paytm shareholders justifying their investment #03



Kuchh baat thi usme, itna girna ke baad bhi logon ko multibagger lagta tha



HOW SINGLE MOTHERS CAN EMPOWER THEIR KIDS THROUGH FINANCIAL LITERACY

A photograph of a woman and two children. The woman is in the center, smiling broadly, with her arms around the children. A young boy is in the foreground, also smiling, with his arms crossed. Another young boy is behind the woman, looking up with a wide, open-mouthed smile. They are all wearing white shirts. The background is a dark, solid color.

Bravo to all the diligent single mothers who balance job and home life. You are an inspiration in your efforts to raise these mini-humans with courage and fortitude! You are juggling a lot of obligations as a single mom.

Nurturing children, managing a career, overcoming numerous problems, financial management, and so forth! "sometimes the strength of motherhood is greater than natural rules," best-selling novelist Barbara Kingsolver stated.

Single mothers must make significant changes in home budget management, and financial literacy is one of the most valuable gifts they can provide to their children. Saving for a rainy day is an important aspect of parenting, and teaching the value of money at a young age may empower the next generation. Because today's children are rapid learners and tech-savvy, teaching them financial discipline should be simple.

Financial literacy can be taught by single mothers: here are some simple recommendations for single mothers who want to teach their children about money:

Savings

Begin teaching your children about money and budgeting at an early age. Introducing piggy banks to toddlers is an excellent approach to begin with tiny financial actions. Encourage children to keep money in two places: one for spending and one for saving. Saving habits are best formed between the ages of 7 and 10.

Teach them a simple habit of saving more money since it will grow more. You may protect your children's financial future by investing in long-term health and life insurance coverage. This will guarantee that your children have a nice life even if you are not present.

Indian women and financial independence

It is vital for women in India to investigate and develop financial literacy and independence. This will occur not only when women seek to earn money for themselves

or obtain jobs, but also when the environment around them does not regard women as less intelligent when it comes to financial decisions and money.

Budgeting abilities

Budgeting is a valuable skill that may assist you in keeping track of your costs. Establish a budgeting approach and stick to it. Your finances may suffer if you do not pay attention to how you spend your money. A budget method allows you to manage your monthly cash flow and cut out unneeded costs. It may be difficult to keep

to strict budgets in the early years of your child's life, but it will benefit you in the long term. Set aside money for all of your bill payments, groceries, school fees, and other vital needs, and plan to invest in long-term policy for your children.

The emergency fund









Any unanticipated financial setback might put you in debt. An emergency might be anything from a medical emergency to a disruption in your daily routine. As a result, you should set away a modest amount of your salary to cover any such unanticipated events in your

life. An emergency fund feels like a financial compass that will assist you through difficult times. You may be certain that you can handle any unanticipated event without resorting to credit cards or a high-interest loan.



HISTORICAL DATA & CHANGES

Month- Oct 2022

INDEXES & COMMODITIES	VALUE/PRICE 03 OCT 2022	VALUE/PRICE 31 OCT 2022	CHANGE%
 BSE SENSEX	56788.81	60746.59	+6.73%
 NIFTY 50	16887.30	18012.20	+6.44%
 BSE MID CAP	24546.00	25359.02	+3.25%
 BSE SMALL CAP	28300.22	28817.59	+1.81%
 GOLD ₹/10GM	50,130.00	50,347.00	+0.43%
 SILVER ₹/01KG	57,765.00	57,365.00	-0.69%
 USD/INR	1/81.88	1/82.78	+1.09%
 BRENT CRUDE (₹/BARREL)	6,791.00	7,186.00	+5.65%

Note: For general information only and not meant to serve as a professional guide/ investment advice / intended to be an offer or solicitation for the purchase or sale of any financial product or instrument or mutual fund units.



OPULENCE CORNER

Meet-and-greet with the Managing Director, Kotak Mahindra Asset Management Co. Ltd (Mr. Nilesh Shah)



Left to right: Mr. Ankush Madan (Co-Founder & Director -Opulence Wealth), **Mr. Nilesh Shah** (Managing Director at Kotak Mahindra Asset Management Co. Ltd) & **Mr. Amit Manral** (Co-Founder & Director -Opulence Wealth),

WHAT ARE CHILDREN'S MUTUAL FUNDS AND HOW DO THEY WORK?

*A college course that costs Rs. 4 lakh today, could cost you Rs. 25 lakh 15 years later**

Every parent wants for their child to be financially comfortable. They might want to build up a college fund or seed money for their child's start-up. As a result, child-care funds can be an excellent way to establish a corpus.

Depending on the goal, various mutual fund schemes are available, such as children's gift funds, children's asset plans, and children's career plans.

What exactly is a child-oriented mutual fund?

A child-oriented mutual fund, often known as a children's fund, is a fund that focuses on the needs of children. It is a type of mutual fund in which parents invest for their children's future needs. These conditions could range from a child's education to marriage. SEBI defines a solution-oriented approach. Children's fund as an open-ended fund for investment in children with a lock-in period of at least 5 years or until the child reaches the age of majority, whichever comes first.

Aim

Everyone is aware of the rising prices of schooling and other essential expenses as a result of inflation. Parents seek child-oriented finances in order to be well-equipped with financial resources to satisfy their children's future demands. When children reach the age of 18, their parents are relieved of much of the stress since Children's Funds will take care of their requirements.

Let us look at an example to understand how you might achieve your financial goals for your children in a specific time frame using mutual fund investing. Mr. 'S' wishes to invest 20,000 a month in debt-based funds, hybrid funds, and equity mutual funds for his child's education. Mr. S has set a target of 1 crore after 15 years as his child is currently 3 years old. Let us see how he can achieve this:

Let us suppose

- Debt fund yearly returns are expected to be 8% if invested for 15 years.
- Balanced fund annual returns are expected to be 10% if invested for 15 years.
- The expected yearly return on an equities mutual fund is 15% after 14 years of investment.

1. Take a peek at the results now.
2. A debt fund provides 69 lakhs.
3. A balanced equity fund provides 83 lakhs.

In just 14 years, an equity mutual fund can generate 1.14 crore.

As you can see from the preceding example, while debt and balanced funds have low risk, their returns are also low. However, equities mutual funds have higher risks but offer a corpus of 1 crore. You can choose any combination of debt and equity based on your risk tolerance and time horizon.

What do the Mutual funds offer?

Fund houses offer tailored investment options to help customers achieve their personal financial goals. These funds invest in both equities and debt portfolios, and investors can select any combination of the two based on their risk tolerance and the time horizon for which they wish to lock in their investments. However, child-oriented mutual funds need a minimum lock-in term of 5 years, which can be extended until the kid reaches the age of adulthood. Investors cannot exit or take money from the funds until they reach maturity, making them appropriate for longer term investments.

In India, the penalty for withdrawing money before maturity is highly severe, ranging from 3% to 4%, which encourages investors to stay for longer periods of time. Funds might profit by receiving more income over a longer period of time. It also helps to protect investors from the danger of volatility.

Why do investors put money into Children's funds?

1. These funds provide a balanced combination of equity and debt funds. Investors can make their selection based on their risk tolerance. Investors who are willing to take on more risk can consider hybrid equity-oriented funds, which invest primarily in equity assets that provide higher returns. A hybrid debt-oriented fund, which invests primarily in debt-oriented goods, is an option for investors seeking moderate returns with lower risk.

3. Finances for each stage of their child's development: Children's Funds enable investors to perform phased financial planning. For example, investors would have sufficient funds for their children's pre-primary schooling through college education.

4. Taxability: When investors engage in debt-oriented children's funds in India, they might benefit from tax breaks. Investors are not required to pay taxes until the fund matures. The interest on kid mutual fund investments is tax-free. When the funds mature, tax must be paid. As a result, these are suitable for long-term investments. There are some exceptions, which are listed below:

- a. Section 80C allows parents to deduct certain expenses from their income. They are eligible for a deduction of up to 1.5 lakh rupees.
- b. They may also be eligible for an annual exemption of \$1,500 per child under Section 10 (32) of the Income Tax Act of 1961 if their annual interest income exceeds \$6,500.
- c. If parents of differently abled children invest in a children's fund, they may be exempt from additional tax breaks.

What are the things you should keep in mind before investing in children's funds?

Goals

Before investing in Children's funds, you should carefully define your objectives. Determine whether you want to invest in education, marriage, health, or international education, among other things. Then, consider which funds are best suited to your objectives, so that the aim is financially linked with future needs.

Expenses

It is a good idea to keep track of the total costs incurred during the procedure, as well as how much money is going to fund managers. The exit burden in children's funds is high, therefore do not withdraw money from the fund unless absolutely necessary.

Conclusion

There may be times when you do not earn enough to save for your child's future, but making tiny monthly SIP contributions can also help you achieve your goal. It is therefore critical to begin investing in child mutual funds in order to provide your child with the greatest education possible. This gives parents peace of mind concerning their children's future finances and allows them to provide a better life for them.

2. Future-ready: It alleviates the financial stress on parents by allowing them to readily meet financial contingencies. By investing in their children's funds, parents can provide greater educational opportunities for their children.



Time

How much time do you want to invest, and how much time will be enough to meet your future needs?

Returns

Before investing in a Children's Mutual Fund, compare the returns with other children's funds investing strategies to assess the opportunity costs. It will assist you in selecting the most appropriate mutual fund scheme that will provide significant returns.

MEDIA CORNER

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Details & More

Being intentional about improving your financial situation is the beginning of financial success. Focus on your financial goals and take the necessary action to achieve them.

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