

The Cost of Living Crisis



- 1 Choose** the right time and setting
- 2 Simplify** the explanation
- 3 Be transparent** about adjustments
- 4 Reassure** them of your love and support
- 5 Teach** your child financial literacy
- 6 Focus** on what really matters

In today's uncertain economic climate, parents and caregivers face the need to discuss the rising cost of living with their children, despite the instinct to shield them from life's challenges.

Starting these conversations requires choosing the right time and setting. Using simple language and relatable examples, can help your children understand the concept of increased expenses. Transparency about necessary budget adjustments can involve children in finding solutions and fostering responsibility.

Amid these discussions, it's crucial to reassure children of your unwavering love and support. Seize the opportunity to impart financial literacy, teach your children about budgeting and discerning needs from wants.

Addressing financial topics with children might be challenging, but it is essential. Not only does it equip them with resilience to navigate life's complexities, but it can also effectively prepare young people to understand and handle financial matters in the future.



1

Choose the right time and setting

Initiate a conversation at a time when everyone is relaxed and receptive. Find a comfortable and familiar setting, like your living room or kitchen, where your children feel safe to express their thoughts and emotions, and you have time to talk through each perspective. Avoid discussing this sensitive topic during tense moments or immediately before bedtime.

Simplify the explanation

Depending on the age of your children, it is essential to tailor your explanation to their understanding. Use simple language and concrete examples to explain what is happening around them and within your home. You might say, "You know how the prices of groceries and other things we buy have increased? It's because things are getting more expensive for everyone, and we need to manage our money wisely."

2



3

Be transparent about adjustments

While shielding children from financial stress is important, being honest about any adjustments you may need to make to your family's budget is equally crucial. Explain that, like any responsible household, and you will be prioritising needs over wants and encouraging their involvement in finding creative ways to save money and making thoughtful spending decisions. This can give them a sense of control and empower them.





4

Reassure them of your love and support

Children might worry about how financial stressors will impact their lives. Reassure them that your love and support are unwavering. Emphasise that you will face these challenges together as a family and are always there to help and listen to their concerns.

Teach your child financial literacy

Take this opportunity to introduce basic financial concepts to your children. Discuss the importance of budgeting, saving, and differentiating between needs and wants. Engage them in discussions about family finances, encouraging them to ask questions and express their thoughts.

5



6

Focus on what matters most

Remind your children that while financial challenges are part of life, there are many things money cannot buy, such as love, kindness, and cherished moments with family and friends.

