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Making Money Magic parents handbook

**an accompanying resource to the audio book
of Stu Spender and Davey Saver**

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Introduction The 7 Themes to the story of Davey Saver
and Stu Spender 5 Myths about children and saving
How people learn

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Winners A reality Check What are your money values? 7 tips to ins
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The Vision

The purpose of save a bit spend a bit is to change the way children think and react about money. The vision is that excessive debt is eradicated for this generation. You as parents are the key to this; it is with your help and guidance that a debt free future is in the grasp of your children. You have purchased the pack from us as you wish to help your children develop a life long habit that will enrich their lives in more ways than purely financial. Think about how many ways your life is controlled by the amount of money you have; where you live, what you drive, where you holiday. The list is endless. Lifestyle costs and depending how much you have the more style in your life you can buy.

We are sold this lifestyle by our peers, the media and of course by manufacturers. We have always been sold to; companies have always made goods and supplied services that we have demanded. Debt happens when there is more going out than what is coming in, we get fat when we consume more than the energy we are expelling. Fat and debt, 2 sad friends. Both lead to less choice and a long hard slog to get back to the ideal. We would hazard a guess that you regularly help your child make healthy meal choices, you limit the amount of treats and you create a healthy eating lifestyle as you know that this is their health assurance policy toward a long healthy life. However do you also create the same healthy environment towards money and have the same zest for the strategy towards financial health?

The next generation will undoubtedly pay more for services. Things that we take for granted like free banking, free rubbish collection, unmetered water and free use of motor ways will most certainly be charged for. This means they will have to become even more aware of saving and recycling than we have, up to now had to be. This handbook will help you help them to learn how to create habits that will save them money and will lead to a healthier financial future.

“The journey of a thousand miles starts with a single step” Confucius

When you listen to the story of Stu Spender and Davey Saver you may find it useful to discuss the 7 themes of the story with your children. The story is only 25 minutes long so is ideal for a car journey where you can have a conversation afterwards.

1) The difference between rich and poor

Is Stu Rich? He seems to have lots of money and spends it freely on toys, cars and sweets. On the other hand Davey seems poor as he dresses in shabby clothes and eats cheap food. Is he poor?

2)

What makes people happy Stu has lots of material treasures, a nicely decorated home, a car, and jewellery. He has lots of friends until he starts asking them to lend him money and he has to

return the car. Is he happy? Davey has no friends and no pleasures in life, not even decent food, preferring to put it all in the bank. Is he happy?

3) Excess and Miserly Stu does everything to excess. He is wasteful and careless with his possessions believing that he will always have enough to buy more. Davey is miserly believing that others will take advantage of him. Is either way the RIGHT way?

4) Sharing

By sharing their wealth, knowledge and hobbies the two friends were able to enhance both of their lives. What do people share with you which make you happy?

5) Prejudice Davey disliked his neighbour because he thought he was flash. He didn't know him. He was jealous of the friends and the toys. He made a judgement before he really knew him. How would you feel if someone did this to you?

6) Small changes **Big** difference

When Davey went to live in Stu's house he immediately made some minor changes which saved money without anyone noticing the difference. What could you do immediately to make a saving that you won't even notice?

7) Walking in another's shoes By swapping lives the two friends really saw the others life and began to understand each other. They were also able to make adjustments to the lifestyle to make it better for them and each other. Who would you like to understand better?

“You never truly know another until you have walked a mile in their shoes” Anon

1) Children will learn about finance and money through the education system

Unfortunately not, there is no current provision on the curriculum for personal finance education. Who will therefore do it within your family and when will you begin? Maybe this is a good thing; a teacher can only teach from their own perspective or from books which is another's perspective. Every family has a culture, a way of doing things, which is unique to that unit. Therefore the best place to initiate these conversations is in the home

2) Money, saving and finance can not be taught but learnt through experience

Though the best lessons are the one's learnt through experience, how will you manage your children's experiences? Allow them to make a few small mistakes now and help them to learn the valuable lessons that will stand them in good stead in the future.

3) My kids are too young to be bothered by all this adult stuff

Children are hugely resilient. They are also wonderfully curious. As Mary Poppins said "in every job that must be done there is an element of fun, you find the fun and SNAP the job's a game" make a game out of saving money and other precious resources and see how fast it catches on.

4) I have a good attitude to money so there is no reason why my kids will not also

You have a good attitude to money in your own reality in this time. The world is changing fast; what the average family do now will be severely lacking in the future. Think recycling, environmental footprint and poverty. The problems that surround these issues will get dramatically worse and our children's generation will be the one's looking to make a difference just as you are now.

5) I don't have the money to save for myself so how am I going to save for my children

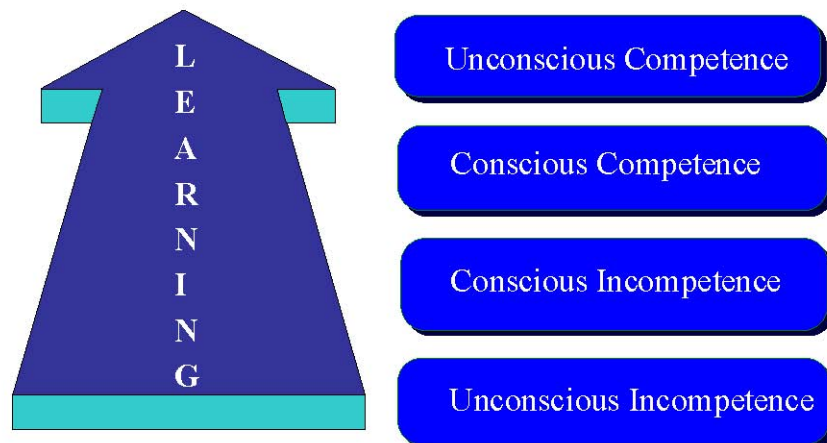
Saving is not just about saving money; it's protecting the resources you have and creating a long term saving strategy.

"All truths are easy to understand once they are discovered; the point is to discover them" Galileo

The learning process is in 4 stages

- 1) **Unconscious incompetence** When we are unaware that our actions are incorrect and are unaware we need to alter our behaviour
- 2) **Conscious incompetence** we are aware that our actions are incorrect and aware that our actions need to be revised
- 3) **Conscious competence** we are now acting correctly but are conscious of doing so and 'trying'
- 4) **Unconscious competence** our actions are correct instinctively, the action is completely natural to us

Stages of the learning process



“The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn” Alvin Toffler

From a finance point of view this is where most children begin and rightly so. Even when you say something like it's too expensive or to turn the tap off to save water. They do not understand why as they have no comprehension of financial matters. They don't know how much goes in or out or the economics of a household. Up to pre school this is totally acceptable and they are learning from the values that surround them which is the family culture. However you have to ask yourself when is the right time to begin to make the learning more focused. If we look at healthy eating you may have been controlling their consumption of food and creating a taste for a healthy eating lifestyle. As they begin to be more independent and begin to socialise you hope they will continue to make sensible decisions because they want to. However when will that translate to saving water, looking after toys, giving away unwanted toys to charity shops etc etc which is the healthy finance equivalent.

Conscious incompetence

This is where we are allowed to make mistakes in a controlled environment. Where the stakes are not too high. The best lessons are the ones we learn ourselves and as children learn through play the best way to test this theory is through play. Playing shops and allowing them to be involved with the real shopping gives them a feel for money. If a child learns the lessons when the stakes are low, where the coins are plastic and all they may lose is a game they may be more in tune with the cost and the bigger picture later in life.

Conscious competence

At this stage we are practicing using the knowledge of the lessons we have learnt and our environment have taught us. We are fine tuning our act, seeing what works for us. A child may at this stage be given money and making their own choices and they are beginning to weigh up the consequences and living by those decisions. Love it or hate it Monopoly is a great way to challenge the conscious competent.

Unconscious competent

This is where we do what we have learnt completely naturally and no longer give it a second thought. We have matured and have moved on to further lessons. With your help and guidance your children will reach adulthood naturally making the right financial decisions because you have facilitated the learning process and installed positive habits.

We can only have an idea what our children's generation will have to face, it is probable that:-

- 📌 They will live longer and therefore will have to work longer
- 📌 The idea of a job for life will be redundant so a pension in its present form will not exist
- 📌 Natural resources will be in demand by an ever growing population and therefore cost more
- 📌 Things we take for granted now like free banking, un-metered water, un-tolled roads, recycling being an option, cheap flights etc. will be reflected upon nostalgically in a similar way that we remember free company cars and a life before mobile communication.

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days' nostalgically, so will we. Our children's future is as alien to us as a rave is to the majority of pensioners. That is the way of the world. Therefore our job as parents is to 'light the torch paper' create the inspiration that will create a saving habit.

It's not just about saving money. Saving energy, water the planet. Having respect for others, sharing giving. These are all values that come with a save a bit spend a bit mentality, these are all values that will stand our children in good stead for the future.

"Change is the law of life. And those who look only to the past or the present are certain to miss the future" - JFK

Unsurprisingly, money is a major factor in the causes of arguments. A recent study for Scottish Widows found -:

🗨️ 10% of those who had a will said they wanted to ensure their estate did not go to someone they did not like.

🗨️ 20% of arguments over wills stemmed from claims that an estate was divided unfairly.

🗨️ About 5% of rows occurred when someone found out they were not to receive an item apparently verbally promised to them.

🗨️ The majority of the arguments were said to be between brothers and sisters, with 42% never speaking to each other again after the

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Relate the relationship mediation service says “money is one of the major causes of rows and that couples ignore the issue at their peril; Arguments over money can be a symptom of a problem with a relationship but attitudes towards money can cause rows in themselves, if one of you is a spendthrift and one of you is very careful with cash you will row about saving for example.”

Helping your children open up and discuss money will help them in their relationships with you, their family and anyone who joins their life in the future.

“Money often costs too much” Ralph Waldo Emerson

By encouraging your children to adopt a save a bit spend a bit philosophy there will be 3 main beneficiaries.

1) Them. They will enter adult hood with the tools they need to live in 'their time'. They will be able to make the most of the opportunities awarded them and not be pushed into situations because 'needs must'. They will be financially independent and will be able to make decisions based on other reasons because the money question is covered.

2) You. You can enter your own 'old age' not worrying about them financially. (Don't worry, there will be other ways they will keep you up at night for, but money won't be one of them!) You will not have to worry about leaving a legacy and focus your own attention on topping up your own pension for your own old age or the cruise!

3) The Universe. Our children are going to have to pay for the excesses of previous generation's. Those who are socially aware of their own personal responsibility to look after themselves will also have a greater social awareness that will benefit all.

“Winners have simply formed the habit of doing things losers don't like to do” - Albert Gray

What is your attitude about money?

During a recent money workshop I asked the delegates to play the money exchange game. The findings were very interesting.

Here were the rules;

To bring money along to the game, half of the group were to start at one end of the room, the other at the other end.

🕒 Timing 15 minutes to exchange money with others

All examples of good and bad behaviour became visible in that simple task. Allow me to introduce you to a few characters that emerged on that journey.

The Gambler: Borrowed the £5 to participate in the game. During her journey across the room she lost the lot twice, at one point she had £20 and lost that as well. She was near broke but building her self back up when the game ended.

The Hooker : Started the game with £5 and ended the game with £20. She wavered between guilt and pleasure during the discussion time as she tried to tell herself that she gave the man who gave her the £20 a lovely smile that made his day and so 'earned it'.

The Beggar : Lost all their money about 2 minutes into the game and spent the rest of the time asking for donations.

The Judge :

Had £10 and decided not to participate in the exchange but just to observe what everyone else was doing.

The Pick Pocket : Ran round the room taking the money from anyone who was irresponsible enough to be waiving it around.

The poker player : Had their money grasped tightly in their hands and would not show you what they had in it until you had agreed to trade what you had for what you could not see.

The Generous man : Got so involved in the game and enjoyed giving so much that when he 'lost' his initial money went back to his wallet and got more out.

The whiner:

When the game was over complained that he had lost money, complained about the facilitator, protested that they did not care about the outcome of the game any way and tried to start a rebellion.

She who protests too much : As she did not understand the rules thought it was unfair as this was not a true picture of her and what she is like with money, in fact it is quite the opposite, she is very good with money, if only she knew the rules she could have played it differently because she really is not like that, not in real life.

The Networker: Began the game right in the thick of it without a clue as to what she was doing or where she would end up. Asked others what they wanted to achieve and tried to help them do it. At the end of the game had a queue of people wanting to do business with her so thus made money by helping others make money

This is an interesting game to play and consider.

What is your concept of money? Can you identify with any of the characters on the game?

👤 Do the characters present themselves in other areas of your life?

👤 What messages do these characters send out to others in your circle?

👤 What decisions are made for you because of this perception?

How is this behaviour perceived by your children?

Are you preparing them for a future of your own reality or for their own?

👤 Check your own reality. What are the consequences for your own and your children's long term future?

“Everything that irritates us about others can lead us to an understanding of ourselves” Jung

It is said that if you gave everyone in the world a £1000 therefore making everyone equal; within 24 hours there would be those who were bankrupt and millionaires. Which would you be?

I wonder if this has as much to do with the way we see money as how skilful we are with it.

There is much talk of values in the business world. We hear of brand values and core values and personal values and family values.

But what is a value?

The dictionary definition of value is "To estimate the worth in terms of money, to rate in terms of usefulness and importance, to consider or rate highly"

Companies look to sell you goods in a more personal way as their markets become more competitive. By tapping into your values they are more easily able to do this, so we could say that a value is something that pushes your buttons. The reasons why you do something and why you would not do something which is against your values.

I recently held a workshop where the delegates did many exercises' to discover what made them tick and what were their core values in relation to relationships, business and money.

Though there were some similarities there were also many differences.

We come at everything from our own reality which is set from your own particular upbringing and our development.

By understanding our own values it gives us an insight and clarity into why we do what we do. By understanding our own we also become paradoxically aware of the differences in others and become more tolerable in the differences of others.

Come up with as many words as possible to describe what money gives to you?

I would hazard a guess that a selection of the following will be on your list.

Security, safety, friendship, love, fame, excess, contentment, wealth, opulence, riches, prosperity, prestigious, public standing, substance, independence choice, self-esteem, assets, savings, philanthropic, giving, more.....

Using the above list or your own words choose 8 words which best sum up your definition of what money gives you. Then stress test them to decide which order between 18 the words fall. The easiest way to do this is to ask your self between 1 and 2 which is the most important, when you have decided ask your self 1 and 3, 1 and 4 etc. When 1 is completed go on to 2. Which is the most important between 2 and 3, 2 and 4 etc? At the end you will have 8 words which represent the importance of money to you for your own reasons and they will be marked in accordance to their most important.

When you have your list, look at them carefully. Are there any which could be opposites of each other? Like security and independence. How will this affect your life?

Values in Conflict

A recent delegate to a work shop had the security and independence money values. He found that he slid between solvency and debt throughout his life with occasions of living from hand to mouth. However because he had accepted this 'way of things' he would live through the hard times with the knowledge that the good times 'were just around the corner'. Unfortunately this behaviour lost him

many relationships and his parents were continually bailing him out even though he was well into his 30's.

The answer was not to dump one area of his personality. He couldn't, it would be like chopping off an arm. The answer is to find

a way that he can gain more security in independence and more independence in security. With this clarity he was able to set a strategy that he could commit to and move forward in his financial dealings and relationships.

“Children are not casual guests in our home. They have been loaned to us temporarily for the purpose of loving them and instilling a foundation of values on which their future lives will be built” – Dr. James C. Dobson

1)

Make a game of both saving and spending. If only spending money is fun then they will associate fun with saving money.

2)

Create rituals. When they receive money as presents or from the tooth fairy have something that you do. Like putting it in the bank or the piggy bank. These are the traditions that they will continue and take forward into their own families.

3) Look after the small things. Turning off the taps, saving pennies and giving small donations to charity are small things that they can do to create habits to last a lifetime. Ensure that you explain why you are doing it and what the consequences are if you do not do it.

4) Praise, praise, praise. We learn by our mistakes but there are much more positive ways to learn and by praising this positive behaviour will encourage them to do the right thing 'because it feels good'.

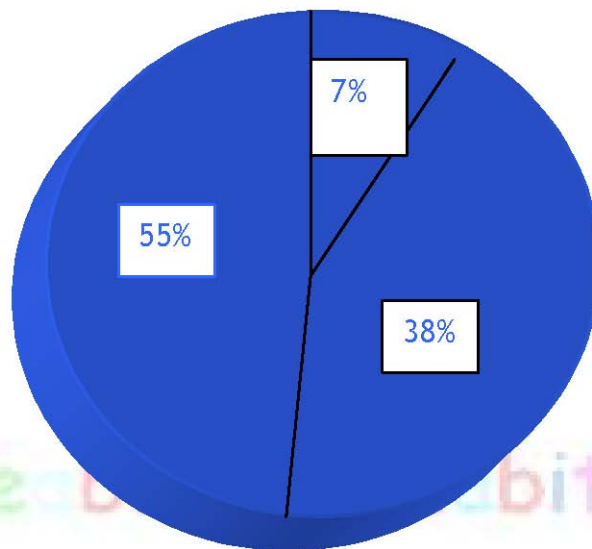
5) When your children ask for something, rather than say no. Ask them if they would like to buy it from their own money and explain what the consequences are. You may find that they are happier to spend your money than they are their own.

6)

Be consistent. If you pay pocket money in return for chores make sure they do the chores. Even very young children can be responsible for tidying away their own toys or shoes. Make sure you pay it and have a ritual day and amount. See tip 2.

7) Let them be spoilt (occasionally) don't get hung up at Christmas and birthdays about too much, let the grandparents give them money for holiday's etc. As adults we know this is all over too quickly (as my measly Xmas stocking will prove) the important thing is that they know the difference between being treated and every day life.

How much do you think people actually hear what you say? How much influence do you think the way that you say something has? How important are the gestures and nonverbal signals you use? The answers to these questions may surprise you.



[Source:Albert Mehrabien](#)

What is said accounts for only 7% of the communicated message.

How you say it accounts for 38% of the communicated message

The nonverbal communication accounts for a massive 55% of the overall message.

In terms of communicating with your children it is what you do that they are taking in.

Their habits about saving and spending are being influenced by your habits and rituals.

Consider your habits, rituals and attitudes about money, saving and spending. What can you do to send even more positive messages that will arm them for their own future?

I hope you have enjoyed listening to the story of Stu Spender and Davey Saver. We also hope that you have found the accompanying coaching booklet valuable in helping you devise your own method to teach your children the value of money and how to adopt a life long strategy for the exciting and challenging future that they will undoubtedly face. How ever it happens you **will** have a relationship with your children about money. It is in your hands whether that relationship will be a positive one or not. The newspapers are filled with warring families and dysfunctional relationships that could have been saved if they had a more open relationship about money.

The baton is firmly in your hands at the moment. As time goes on your grip will lessen as your children become less financially dependant on you. However eventually they will hold it firmly, ready for the next generation. It is in your hands now to define that moment. Will theirs be a steady grip with a keen eye for doing the right thing?

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“To live; to love; to learn; and to leave a legacy” – Steven R Covey

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Both the audio story and the coaching workbook are original works by Emma Ranson Bellamy.

An accredited life coach writer and personal development trainer, and most importantly mother to two young boys. I am passionate and dedicated at facilitating shifts in behaviour that help individuals and organisations reach their potential.

"I am very excited by this project and feel that by working together the eradication of excess debt and the unhappiness this causes is in our grasp"

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