

Should we give children an allowance?

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Instead of setting an allowance, many parents decide to give money on demand to their children. When figuring out if that's a good option, we need to be aware that the key is not so much in giving or not giving an allowance, but in how you do so.

Giving our [children](#) some money each week is an excellent way for them to learn to consume responsibly and to save. To achieve that, the money

we give them must be accompanied by a little teaching.

[A study](#) carried out in the Netherlands found that people who had been given an allowance and taught how to manage money as children saved between 16% and 30% more in their [adult life](#).

In that same study, it was also found that giving an allowance without that educational component did not improve savings in adulthood.

We must try to meet three conditions:

1. We should give enough money so that our children can purchase something.
2. We should advise our children on purchases and savings.
3. We should monitor where our children spend their money.

It is of little use to preach about the importance of money and the effort required for us as adults to get it if we do not give our children the chance to manage it. Spending all of their allowance on candy in one afternoon and not having anything for the next day helps them to figure out what's really important and what's not.

Only in this way do they have the chance to learn about the importance of putting away money and to develop the all-important concept of [delayed gratification](#), the mechanism which allows mature humans to control impulses (to be able to resist immediate gratification in exchange for greater gratification in the future).

Conversely, giving our children money without supervision can be counterproductive. Some studies have found that children who receive unsupervised allowances are at greater risk of [drug use](#), [acting as bullies](#), and [being overweight](#). But be careful: supervising and monitoring does not mean reprimanding. Comments like "of course, since you always

waste your money, now you don't have anything left... if you keep this up, you'll never have anything" do not help.

Wasting all of one's allowance on chewing gum may be a mistake, but we learn from making mistakes. Allowing them to make mistakes if those mistakes don't have serious consequences is a way of promoting autonomy in our children. A more useful approach is to be encouraging and to help them plan their savings in the future.

Age and the appropriate amount

Before [primary school](#), it is not very effective to give an allowance; however, we can still help the littlest ones to develop the concept of money. For example, through shop-type games.

In these games, we can play different roles. "Today, we have money so we can buy things." Or, "Today we don't have so much money, so we can't buy so many things." With this type of activity, we promote the concept of "for me, for you, and for later."

An appropriate time to start considering giving an allowance is when children acquire the concepts of addition and subtraction, usually around the age of seven. For initial allowance payments, we can ask them to spend only half and save the rest in a piggy bank. This will help them to see that by saving, they will be able to purchase more expensive things later. A weekly amount is better than a monthly one at these ages.

The amount you give them depends on their maturity, the expenses for which the allowance is intended, and of course the family's financial possibilities.

In a [study](#), it was observed that families with more limited financial resources place greater importance on their children adopting good

consumption habits. In addition, according to that same study, these families tend to provide better lessons on how to save. Thus, the amount is not as important as the teachings that go along with the allowance.

Conditions for an allowance

The idea is for children to be aware that we as parents are going to cover their [basic needs](#) and that their allowance is for them to pay for little "extras." The amount of money usually increases as the child gets older and takes on more responsibilities.

Teenagers who are mature enough may have an allowance to cover their leisure expenses. Entertainment, travel, and some clothing can be paid for by them. Of course, we can set limits. For example, family money should not be spent on cigarettes or other harmful activities.

It is important to avoid lending money if we anticipate that they will not be able to return it. This makes it difficult for them to value money and may lead to conflicts. It may be more advisable to give them the money if we think it's a relevant expense, or to just say "no" from the start if we think they shouldn't spend on a certain item.

We must always remember that we are the adults. Therefore, we are responsible for setting limits and guiding them towards responsible consumption habits.

Paid housework?

Although this is a controversial issue, the existing evidence suggests that giving an allowance in exchange for household chores is not a good option. In an [observational study](#) carried out with families in the United States, it was found that giving children money for household chores was

not an effective incentive for them to actually do the chores.

The children who received money for helping out at home did not do more chores than those who received no money. What's more, the girls and boys who contributed around the house without receiving money in exchange for their work associated [household chores](#) with values such as duty and reciprocity.

However, some families offer their children tasks that are not part of the family's typical chores (for example, washing the car) to earn extra money. This type of work could help build their autonomy and ability to save. However, there is not enough research to be able to say so with certainty.

Our relationship with money

Thus, ultimately, the experiences we have with money in childhood influence the relationship we have with money in adulthood. Giving an allowance to our children is the best option, as long as it is accompanied by teaching and supervision. The amount is best based on expenses, and we should help them to save part of what they get.

Lastly, we must not forget to make them see that most of the important things in life have nothing to do with [money](#). If we go about our daily life with values like duty and empathy, it is more likely that they will too. Showing gratitude by giving them a hug or a smile when we see that the table is set when we get home is more valuable than a few euros.

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