

The other day the mother of a 12-year-old asked me: "Did you give your children an allowance?" No, we didn't really do that and I think the reason was that our daughter was an only child and she did a lot of things with us for which we paid. I started to think about the question from a general perspective. After all, over 60% of families give their children a weekly allowance.

Interestingly, the bigger the family, the more likely they are to receive an allowance. I am not quite sure why that is but it may have something to do with levelling the playing field so that everyone gets a fair share of whatever choices are available.

Actually there are a few reasons why parents give a weekly (sometimes biweekly or monthly) stipend. About 32% give an allowance as a reward for good grades or for helping around the house. Parents see the value in positive reinforcement. Another 23% of parents provide an allowance without any restrictions. Most will hold to the weekly amount and not top up the allowance during the week. Actually, this is a good point in favour of weekly allowance because there is less petitioning for more money between allowances than, say, having to wait a whole month for the next instalment. Some parents use allowance as a teaching tool for saving money. Children are given an amount on a regular basis but it must be deposited to their bank account for the future. This can be a school fund or some other anticipated expenses. I know a number of families who deposit the government child credit to their child's bank account to be used for college or other postsecondary training. Thirteen percent of families give out an allowance for non-essential items such as entertainment and about 10% give their children allowance money for essential items such as school lunches or personal items.

We live in a society that requires walking-around money for everyone. Our children need to have some funds available for emergencies. The question is, "How much do they need?" Although the average allowance is about \$12 per week, the amount is an individual choice based on family circumstances and other variables such as number and type of activities or reason for issuing the allowance. One of the often referred to benefits is to teach children the value of money. It is not uncommon for children to miss the connection between having things and paying for them. How often have parents had to remind their children that "Money doesn't grow on trees!" Managing an allowance can bring this home in a way that lecturing about money never can.

Talking about allowance is a perfect topic for a family meeting. If you have been thinking about

giving your kids an allowance or if you want to review how it has been working for your family, set aside an evening to discuss it together. Each family has its own needs and means so take the time to get it right for your family.