

Editorial



Money is not everything but we cannot survive without money. As our daily expenditure is supported by our parents, we should not spend our pocket money too swiftly. We have to consider the pros and cons. If we wish

to buy our favourite sport shoes, we have to consider the price and avoid over budget. We have to spend our money carefully and by doing so, we can learn how to manage it properly.



From the Editor

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Introduction

In our urban living, we need to use money almost every day. For example, buying breakfast, paying for transportation, and shopping at supermarket, etc. all involve using money. If we can manage our money healthily, we can fulfill our various material needs. Contrarily, failing to do so may cause distress and sufferings.

During childhood and adolescence, parents have a strong influence on the way their children use money because most of their daily needs are provided by the parents. By giving appropriate guidance, parents can help their children to develop healthy habits of money management.



Mr. HO Chung Wai
Clinical Psychologist

Relationship between money use and psychosocial health

Failure to manage money properly may result in many psychosocial problems. For example, deficit and financial difficulties are likely to cause negative emotions such as anxiety and agitations; overspending and lacking self-control may be signs of suffering from acquisitive desire. Even though we can afford to spend, it is prone to wastage and gives others the negative impressions of showing off and arrogance.

Putting too much emphasis on material living may lead us to act in mean and mercenary ways. It is also wrong to evaluate a person if we merely count how wealthy a person is and ignore other valuable domains such as virtues, knowledge, health, religious beliefs, achievements in arts and sports, and meaningful interpersonal relationship, etc; this make us very narrow minded indeed.

If we manage our money healthily, we can prevent the above-mentioned problems, satisfy our daily material needs, and develop our self-discipline to save gradually for a larger purchase goal. When our larger purchase goal is achieved, we would be more able to treasure what we have and feel proud of ourselves.

What is Healthy Money Management?

Everyone may use their money differently. Parents will have their own views on what "Healthy Money Management" should be. In order to achieve that we should follow the principles below:

First, to be "self-sufficient": is being able to adapt to one's own financial ability to control and satisfy purchasing desires and achieve a balance between income and expenditure. When we are able to pay for our routine expenses, then we do not need to rely on others' subsidies or covet for additional earnings. We can also enjoy the autonomy to be financially independent. At the same time, we avoid deficit which produces constant anxiety for our fear of failing to afford routine



expenses. Frequent borrowing from family and friends strains our interpersonal relationship and due to heavy debt, the incentive to acquire money by inappropriate means, such as stealing, may also increase.

The second is “saving”: develop the habit to save. Saving can satisfy our larger purchase goal and enhance our ability to cope with unexpected expenditure. We can enjoy the peace of mind when we have a safe financial buffer.

The third is “benefiting others”: being able to benefit others, such as buying gifts to family and friends on special occasions, and giving donations for public charity or victims of disasters. Making use of

one's money for the purpose of other's well-being can contribute to our interpersonal relationship and society. When we spend for others, we shall be less self-centered and also avoid becoming mean and stingy.

Some psychological research states that spending money on others, rather than to oneself, can promote greater happiness (Dunn, Aknin, and Norton, 2008). To quote from the Bible, "It is more blessed to give than to receive (Acts 20:35)". Mencius,

one of the Chinese Confucian leaders, said "In dire straits, they could only develop their own goodness. When successful, they could share their goodness with the whole world" (Jin Xin I). Hence, using money in benevolent ways to achieve greater well-being is supported by academic research and practised in both western & eastern cultures.



How to develop children's self-discipline in money use?

Children need some practice to develop their own self-discipline. This means they need to have their own disposable money and learn about money use. If parents make most or all the spending decisions for their children, the chances for their children to learn will be very limited. If parents worry that their children's have not yet developed the discipline, for example, they might spend all the money immediately when they were intended to last a week, they can give them a smaller amount and observe them for a few days. They can then add the amount gradually after their children have demonstrated some discipline.

How to decide what is the appropriate amount of pocket money?

Depends on different financial situations, household expenditures and parents' preferred ways of money use, the amount of children's pocket money varies and there is no absolute definition on what is the appropriate amount. Parents should tell their children “not to compare with others” and emphasize that every family is different.



The amount of pocket money should not be too little or too much. Too little limits the freedom to spend whereas too much weakens the need to restrain. Parents may work out the amount according to their children's routine expenditure and add another 10 to 20 percent (including transport fee and meal cost, etc.). Hence, their children can have the ability to save after spending on all expenditures.

How to know about children's spending pattern?

Parents need to know how much their children actually spend so that they can teach them how to manage money. Parents can ask their children to submit their weekly expenditure record, or make a expenditure plan for their coming week and then discuss with them. Practise this for a few months and the children's spending pattern will be discovered.



Once the pattern is discovered, parents may praise their children if they have demonstrated good habits such as "appropriate budgeting" or "regular saving", etc; contrarily, parents need to correct undesirable behaviors, such as "borrowing" or "gambling", etc.

In addition, parents need to avoid applying "Automatic Add Value Service (AAVS)" or any "No Pre-set Spending Limit" service for their children. These services, such as "AAVS OCTOPUS" and no spending limit mobile phone service, make it difficult to control their children's money use.

How to encourage children to consume responsibly ?

When children express their desire to purchase new sport shoes or electric gadgets, parents should not satisfy their request immediately. Parents need to find out the reasons for these purchases. If they think they are not justified, they should reject them firmly and give a clear explanation. This is to avoid fulfilling unreasonable desire inappropriately.

If parents think their children's reasons of purchase are justified, they can discuss with them to make a plan. To encourage the children to consume responsibly, parents can request their children to pay some of the cost, from their saving, or to save bit by bit. If children would bear part of the cost or make effort to save, they would treasure it more. Besides, some children's desires are short-lived and may vanish after a while. Helping them to delay their purchase can avoid wastage and enhance their ability to control their desire.

Some parents may bargain with their children, for instance, requesting them to get good grade in exams as an exchange for their purchase. Appropriate material reward may sometimes enhance children's effort to study. Still, parents need to remind the children of their responsibility. They must realize that material rewards are just icing on the cake and they should not put the cart before the horse.



Under financial hardship, how to respond to children's request for spending?

Some family may have limited amount of income; apart from basic needs, they could not afford to spend further on their children. Parents may feel guilty when they fail to meet their children's additional consumption needs. In this case, parents need to accept their own financial limitations and avoid belittling themselves when compare with those more affluent parents.



Responding to their children's consumption requests, parents should not make excuses to turn them down; this may cause negative emotions in their children and complicate the problem. Parents should be honest, explain their financial constraint and accept their disappointment and negative feelings.

At the same time, parents should safeguard the basic needs of their children, such as food, clothing, housing and transportation.

Parents can show that their care and love for their children are not bound by financial hardship. They can explore other ways to meet the children's needs too. Instead of buying novels, comic books, and videos, etc, these can be borrowed from public libraries. A lot of sport facilities in the community and activities organized by non-government organizations are available for public use. Such as playing chess, dancing, reading, and playing various kinds of ball games are healthy activities which do not incur a lot of spending.

Parents can also encourage their children to visit museums, natural environment and cultural heritage sites. These activities can broaden their views and let them learn how to appreciate a fact that to enjoy something does not mean you have to possess it.

Conclusion

There are countless material goods and services in our affluent society. We can satisfy our needs and desires through consumptions when we spend appropriately. Yet, we need to examine ourselves from time to time otherwise we might become overwhelmed by our material desires. Parents can guide their children to develop healthy ways of money management to enhance their psychosocial health.



Reference:

Dunn, E.W., Aknin, L.B. and Norton, M. I. 2008. Spending money on Others Promotes Happiness. Science, Vol. 319, n. 5870 pp. 1687-1688.

Dear students, have you counted how much "Lai See" money you have got for this Lunar New Year? How would you spend your "Lai See" money and pocket money this year?

Here are some of the students' views on how they would spend their money:

I would like to donate some money to the needy. A portion of my money would be given to my parents and the rest of it would be used for buying something either for my parents or myself.

I would save a fixed amount of money every month and think carefully before I buy anything.

My parents would save it and use them for paying my college fees in the future.

I would sponsor needy children.

I would save all the money for my vacation.

I would spend my money on tuition fee, lunch or snacks and give some to charities. Occasionally, I would buy some luxurious goods.

If I have 100 dollars, I would save half of it and spend 20 dollars for buying tasty food, 20 dollars for entertainments and 10 dollars for daily necessities.



'How to spend money wisely' is a habit develops since childhood. We had received a letter from a primary student about this topic, we would like to share it with you :

Dear Health Box,

I had a secret that needs your help. I had bought a chic stationary set but my mother and sister didn't know about it. This stationary set has to be used and it would be wasted if I don't use it.

However, if I tell them about it, my mother might scold me. Would you please tell me what I can do now?

From

White

Dear White,
Thank you for your letter.

You said that you had bought a chic stationary set but are afraid that your mother and sister might scold you. We understand your feeling.

It is normal for family members to be concerned about how their children will spend their money. For example, accepting or spending money for no reason might be a reason why they are involved in some illegal activities. Therefore, you should discuss with your family members, tell them where you got the money , the reasons for buying the stationary set and how you will use it and not waste it. To learn how to communicate and seek opinion from others is very important. I encourage you to discuss the issue with your family members.

Wish you good health
Health Box



Interesting knowledge Q&A

During the Lunar New Year, students have received a lot of "Lai See" money. How should they spend the money smartly?

- 1) Buy electronic games.
- 2) Save part of the money.
- 3) Treat classmates with big meal.
- 4) Donate some money to charitable organizations.
- 5) Spend the money carefully.



(Answer: find it out from the newsletter)

Health Tips



We should cultivate a saving habit when we are young. This is because in the long-term good saving habit can consolidate our will power, and lessen our desires for consumption goods. To build up a correct concept of money management, can teach us how to "live with money". It will help students manage their money properly when they are grown up.

For enquiries of student's health problem,
please write to "Health Box"



Please write
your name
& address,
contact tel. no.
in the letter.

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