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Habits die hard. So, if we are going to be slaves of our habits, let's at least have good habits. If we stretch this point, it is easy to see the case for money and financial education for school children. Children are inherently curious about the things happening around them. However, in our day to day life, we take much of what we see for granted. Often times, children ask very interesting questions like "Where does money come from?", "Why do prices of some goods keep going up while the prices of other goods keep coming down?", etc. However, many adults are not able to answer these questions in a satisfactory manner. The climax of much of modern education is a job, which is something people have to endure to earn money. However, managing money and growing it, which are life skills are not taught to students at all. The parents don't teach it, the schools don't teach and in the end, we bring up yet another generation of clueless adults who fall prey to financial intermediaries. In order to break this vicious cycle, it is really important for parents to ensure that their children get right financial and money education.

Are there examples of financial education at an early age making a difference in anyone's life? The answer is a resounding "Yes"! In fact, we don't have to look beyond Mr. Warren Buffet. Buffet started saving and investing very early in his life. We all know that the key to unlock the power of compound interest is to start early. By the time an average adult is aware of all these facts, he is already in his mid thirties. As Malcolm Gladwell mentions in his "Outliers", it takes 10,000 hours of practice to become very good in any endeavour. Thus, it is abundantly clear that children are exposed to the concept of money and compounding at an early age. This will ensure that by the time they reach adulthood, they would have spent a few hundred hours, if not a few thousand hours pondering about making and managing money. The head start will help them lifelong as the early birds get the benefit of the compounding effect of their wealth.

Another advantage of teaching school students about finance is that they become confident of taking their own decisions. This means that they can do away with middle men like financial planners, brokers, insurance agents, etc. This leads to substantial savings in terms of money over a 20 year period. The savings are likely to be approximately 2% - 3% every year. This is not an insignificant amount and the end result is that the retirement nest egg of the adult who had the benefit of early financial education is way larger than that of a person who has to learn the lessons the hard way, if at all.

Real money education is based on a curriculum that is a synthesis of several disciplines - History, business, banking, economics, etc. The key is to integrate these concepts so that the children are confident of taking decisions in the real world. Traditional education stresses more on analysis than synthesis, but in real world most problems are solved by synthesis of ideas from several disciplines rather than through analysis.

To summarise, it is important for the parents and the school teachers to equip the children with money and financial knowledge to survive and prosper in today's complex world. As financial products grow ever complex, a basic understanding of the fundamentals are the least that is required of any future adult to compete in the highly challenging world of tomorrow. So let us sow the seeds of financial knowledge in the minds of young children, so that they may reap the benefits in their adulthood.

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