Smart ways to manage your pocket money

When you know where your money goes, you are less likely to be surprised at the end of the week. As term one begins, it is important to understand how you can manage your money.

BY GLORIA IRANKUNDA

Every term seems to follow a familiar pattern. The first few days of the term are generous. A snack at break time. A soda after classes. Maybe a small treat for a friend.

Then, almost without warning, the money is gone. The term, however, is far from over.

You are not careless. It is simply easy to spend without noticing. Small amounts rarely feel serious at the moment. But added together, they quietly empty your wallet.

That is why being smart with your pocket money is less about strict rules and more about awareness. When you know where your money goes, you are less likely to be surprised at the end of the week.

As term one begins it is important to understand how you can manage your money better without missing out on fun.



Track your spending

This should not be complicated. A small notebook can work. For one month, record everything you spend. At the end of the month, look at the pattern. You might discover that daily snacks are swallowing a big chunk of your money.

Nakato says she asked her daughter to track her spending for a term.

"She was shocked at how much she used on small treats. After seeing it written down, she reduced and started carrying home-

Know what you are working with

Before you can manage money, you need to know how much you actually have.

"Some students spend without thinking. They just pay and never checked the balance. When they need money for things such as a school trip, they have nothing left," Kenneth Byaruhanga, a teacher based in Wakiso, says.

Byaruhanga suggests that students should write down how much pocket money they receive at the beginning of the term and divide it by weeks.

The simple act of knowing your total amount and breaking it down changes everything.

"Whether you receive money daily, weekly or once a term, start by writing the figure down. Awareness is the first step to control," he says.

Separate needs from wants

Not everything you buy is necessary. School lunch, transport and essential toiletries are needs. Extra fries and impulse snacks they are 'stuck.' We have had to teach them to plan," she says.

One way to stay smart is to list your regular needs first. Allocate money for those before thinking about wants. If you receive Shs 50,000 for the month, calculate how much must go to lunch, transport and basic items.

Use the 50-30-20 idea

Financial literacy trainer Daniel Muwonge says even teenagers can use simple budgeting rules.

"The 50-30-20 rule can work even with pocket money," he explains.

This rule suggests: 50 percent for needs, 30 percent for wants and 20 percent for savings

"If a teen receives Shs100, 000, they can save Shs 20,000.

It may look small, but over time it grows," Muwonge says.



SET A GOAL

Saving is easier when you have a reason. Maybe you want a new phone. Maybe you want to attend a music festival. Maybe you want to contribute to your school trip.

Write the goal down. Calculate how much it costs. Divide the amount by months and start saving intentionally.

"When you see progress toward a goal, it feels motivating. Suddenly, skipping a random snack does not feel like suffering. It feels like strategy," Muwonge states.

The habits you form with pocket money will likely follow you into adulthood. If you learn to budget, save and spend wisely now, managing a salary will be easier.

"Money management is a skill, not a talent. The earlier you start, the better," he adds.

Being smart with pocket money does not mean you never enjoy life. "It means you think ahead and understand that every coin has a purpose," Muwonge says.



Savings may feel unnecessary when you are still in school. But emergencies do not wait until you get a job. A class trip, a birthday gift for a friend, a new book or even replacing a lost calculator are things you can afford without begging, if you have saved.

Many teens say they will save whatever remains at the end of the month. The problem is that often nothing remains. Instead, reverse it.

"Once you receive your pocket money, remove the savings portion first. Put it on a separate mobile money wallet, in a piggy bank or give it to a trusted adult to keep for you," Muwonge recommends.



Learn to delay gratification

You see a new jacket online. It is trendy. Everyone is posting it. You want it now. Pause and ask yourself: Do I really need this? Can I wait two weeks? Will I still want it next month? Many times, the excitement fades.

"Learning to delay gratification is a powerful money skill. It trains you to think long term. That same skill will help you later when you are managing a salary," Muwonge explains.

Muwonge notes that being smart with pocket money includes finding small ways to increase it.

Some teens tutor younger students. Others design posters, bake snacks or braid hair during holidays.

"You can start by helping classmates with something they find difficult such as a complicated subject. You can charge a small fee per session. It may not be much, but it tops up the pocket money," he says.

He encourages teens to explore safe and age-appropriate side hustles.

"However, balance is key. School comes first. Do not let money-making activities interfere with your studies," Muwonge adds.

Avoid debt traps

A few clicks can earn you a quick loan. Be careful. Those small digital loans come with interest. If you borrow frequently to survive until the next pocket money, you are living beyond your means.

Instead of borrowing, revisit your budget. Where can you cut back? Can you carry food from home twice a week? Can you reduce impulse buys?

"Talk to your par-

Beware of peer pressure

One of the biggest drains on teen pocket money is trying to fit in. Your friends are buying the latest sneakers. They are ordering food deliveries. They are always contributing to something. It is easy to feel left out.

Muwonge warns that comparison is dangerous. "Your pocket money is not the same as your friend's. Their parents may give more. If you copy their lifestyle without the same income, you will struggle," he says.

Being smart sometimes means saying no. You can suggest cheaper hangout options. You can skip some outings. True friends will understand. And if they do