

Money and Children

The first opportunity to handle money ...

By Günter Hoffmann, Berlin, © MoneyMuseum (translated by Geoffrey P. Burwell)

Children used to be more dependent on their fantasy if they wanted to copy the adult world. The girls would cut out clothes and consumer goods from catalogues and play at shopping with them in toyshops they had made themselves. With their father's briefcase under their arms the boys would set off for work. And they were only allowed to use toy tools to try out various building materials. They got their first contact with money using toy money that they had usually made themselves or their pocket money. That, however, would frequently disappear into their money boxes as soon as they were given it or was immediately exchanged for sweets ...

Nowadays the children's world has also changed. In a children's town they can immerse themselves in the adults' world that is usually closed to them. They can study or work as a business woman, a tailor, gardener, cook or editor. As bank employees they pay out wages or open savings accounts. As mayors or town councillors they control the political fortunes of the town.

The first children's town

It was in Munich that the first children's town was set up 25 years ago, a project that found many imitators throughout Germany and abroad. Children provided the first impulse for the idea during a holiday programme: they used the cardboard boxes they had been given to build houses and shops and played at towns. "When children have a box they almost invariably start to build houses. We adopted this play principle and pedagogically developed it. In this way the play town Mini-Munich came about," Dagmar Kraska relates. She is the press spokeswoman for the association *Verein Kultur & Spielraum*, which organises and is responsible for the children's town every two years. The initiators try to build up the town as realistically as possible: in the centre is the town hall with the bank and the job centre, surrounded by a department store, a centre for arts and crafts, a "Zoffakademie" (trouble academie, i.e. an academy for resolving disputes), a college, post office, the municipal refuse service, market garden, carpentry shop, town theatre, press house, restaurant ...

"Living and working in the children's town is not regarded as a game by the children," says Dagmar Kraska. "They become completely involved in this life. They accept responsibility, make their own decisions and learn what effects their actions have. They cope with real-life situations, no matter whether as a dustman, carpenter or town councillor, and in doing so learn all about social connections that otherwise would have long remained a mystery to them." And success set in. Every day Mini-Munich attracts up to 2000 children and young people aged from 7 to 15.

Lunch for 4 MIMÜs

When the children enter the children's town they receive the rules of play and their town identity card from the residents' registration office. These articles allow them to intervene in the town's events, to apply to the college, for example, for one of the 500 places or use the job centre, where some 700 jobs are on offer in 80 areas. And there is one feature peculiar to Mini-Munich: studying is remunerated in the same way as work, and in both cases in MIMÜs, as the currency in the

children's town is called. The children receive 5 MIMÜs an hour, no matter which subject they study or what kind of work they do. After finishing work the number of hours they are entitled to is entered on a pay slip – this is proof for the bank to pay out the appropriate wages. However, the children and young people are only paid 4 MIMÜs for each hour, as one MIMÜ goes straight into the town hall's coffers. There the mayor decides together with the town councillors which new projects in Mini-Munich are to be funded from this tax revenue. Altogether the treasury took in some 40,000 MIMÜs in taxes in 2004, while expenditure amounted to 20,000 MIMÜs, resulting in a surplus of 20,000 MIMÜs, which many a finance minister could well take as an example.

Every day about 4700 hours of work and study are performed and 18,800 MIMÜs are paid out as wages by the bank. This allows the children to purchase goods they have produced themselves in the department store, but also, of course, ice cream, drinks or cake, or they can enjoy a lunch in the "Zur fetten Sau" (The Fat Sow) restaurant for 4 MIMÜs. Wages can, of course, be put into a savings account, since whoever wants, for example, to lease a plot of land and build a wooden hut on it, must be in a position to pay 200 MIMÜs. And so that this expenditure is worthwhile the young property owner can register a new trade in his hut, provided, however, that he receives permission from the trade supervision department.

Roughly 25,000 MIMÜs are constantly in circulation. They are printed by the association and are only valid for one year, so that all the children again have the same starting conditions in the next year. "For the children the MIMÜs are a currency with real value," says Dagmar Kraska. "But they want to earn more than just money and to spend it again. For them it is important to integrate themselves into the life of the town and find their place in it."

How an idea spread

Whether in Bremerhaven, Dortmund, Stuttgart, Halle, Rosenheim or Berlin, Mini-Munich is the model for children's play towns, of which there are 60 in the meantime. All of the towns work according to the same principles and have their own currency. Thus in the children's capital FEZitty in Berlin, for example, the twin-town of Mini-Munich, there were some 90,000 Wuhlis in circulation in summer 2004 ...

The idea of children's towns and children's money has in the meantime turned into a business idea. In Vienna investors have joined forces and at the beginning of 2005 are opening the children's town of Kidstown with the Eurofino as its currency. Kidstown will be open throughout the year. The tourist association in conjunction with the *Raiffeisenbanken* are issuing the Fabeltaler all round Lake Thuner in Switzerland. And in Germany the family currency Tina-Taler was recently introduced. The idea is this: each week children receive a certain number of Tina-Talers. They can exchange them for a certain period of time for watching television, playing computer games or for sweets. In this way the children are meant to learn how to handle their time and desires for leisure time pursuits and purchasing goods. However, this idea can also be sabotaged: as a rule the supply of Tina-Talers can be increased by washing up or working in the garden ...

Never enough

Whether in Mini-Munich, FEZitty, Mannheim or Freiburg, for the children and adolescents it stands to reason that they can only spend as much money as they have earned. And if they require larger sums of money for their purchases they have to save.

This principle does not function so smoothly in the world of the euro and the Swiss frank. Here most parents are always confronted with the same complaint: "But the others get more." It is a matter of the amount of pocket money, which in the eyes of the young people is always a bit on the short side. Most parents certainly let their children know that they have to take into account the financial situation of the whole family and that they learn the value of money and also the necessity to budget. But it seems as if they are increasingly becoming the losers in the light of the ever greater pressure on them to consume and the growing awareness of branded goods among young people. For in their case the readiness to run up debts is rising all the time, even though as a rule they have, relatively, a lot of money at their disposal.

According to a study carried out by the Munich based Institute for Youth Research (IYR) in the summer of 2004, the 6- to 12-year-olds in Germany receive on average as much as €21 a month in pocket money. In the age group of the 13- to 17-year-olds it is no less than €107. If the young people's savings are added to this income, the 6- to 17-year-olds have €14bn at their disposal, a purchasing power that gives rise to acquisitiveness.

Trapped by debt

"More and more young people are running up debts," says Karin R. Fries, the director of the Institute for Youth Research: according to her study the number of young debtors has increased considerably. In the 13- to 20-year-old group 14 per cent of the youngsters are in debt to the tune of €430 on average. "At first sight that is not a large sum," says Karin R. Fries. "But for anyone who only receives pocket money or a low wage during his training, debt of a few hundred euros is quite large sum, which can only be paid off gradually." In the meantime the debts of young people have doubled compared with the previous year: they rose from about 100 million to 200 million euros.

The children and young people borrow money mainly from their parents, grand-parents and friends which they spend principally on the consumption of food, sweets or drinks. These are followed by expenditure on leisure-time activities, mobile phones and clothing. Only just under 10 per cent turn to the bank for a loan, according to the IYR study. However, all that changes abruptly when they come of age, because as a consequence of the chance to make cashless payments by using debit cards or credit cards they frequently lose track of how much they spend. Moreover, advertising messages such as "Buy today, pay tomorrow" tempt more and more young people to overreach themselves financially.

That does not happen in Mini-Munich. Here there are two groups of children and young people: those who can only be active in the play town for a few days. In this time they try to work as much as they can and also spend their MIMÜs just as quickly. Members of the second group, who can work until the children's town closes its gates, generally save about 50 per cent of their income so that they can spend it at the big auction on the last day.