

COMMONCENTS

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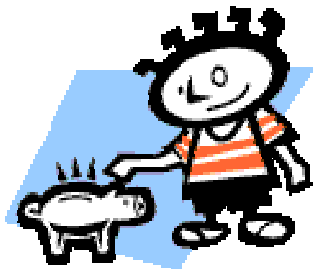
Teaching Children About Money

In today's economic environment, it is critical to understand how money works, and more important, how to make it work for you. It's unfortunate that young adults are now entering a world where they don't have time to learn financial skills gradually. Often they become victims of poor credit and debt practices before they realize how it even happened. Even if your children are very young, remember that the sooner you start teaching these skills, the better off your child will be when they need them.

One of the most difficult issues parents have to face is to examine your own attitudes about money. This is extremely important because your children learn more from what they see you do than from what you tell them. You can preach to your kids every day that "A penny saved is a penny earned," but we as parents should then lead by example. For example, if you explain the family is cutting back on eating out for the next few months because you are saving up for a new TV, they will see first hand how planned savings and saying no to impulses, will result in big rewards, like a new TV.

It is very important to communicate openly with young kids about money, in simple terms that they can comprehend. Too often, young adults have to learn about credit and debt the hard way: by fending for themselves. It is better that they learn about personal finances under your guidance. Following are some tips that will help your younger children get off on the right foot financially.

- Involving them in financial planning. While a young child won't understand investing at the complex level of an adult, a savings account in his or her name will help them understand the basic benefits of saving money and watching it grow.
- Have them question their spending. Do you really need that video game? Or those concert tickets? Or that cell phone? Have them weigh the pros and cons of the purchase versus the money that could be saved and used towards something in the long run.
- Give your child a chance to be in control. If you give your child an allowance, let him or her be in charge of spending it. This is a great way to teach the relationship between their actions and the positive or negative consequences that follow.
- Provide extra income opportunities. Help them learn that money is something you earn, not something you are entitled to. This is also a great way to get the child involved in extra family chores.
- Help them to pay themselves first. Be an automatic saver. Make them immediately save a portion of their income by opening a savings account with them. Have them put fifty percent of their allowance or earnings away each month to savings and the remaining fifty percent to spending. In doing this your child will see how compound interest works FOR you, not AGAINST you!
- Take your child shopping with you. Explain to them why you make the decisions you make while shopping. By showing them the details you take into consideration, you'll be teaching them how to be a wise consumer.
- Make them work for it. The typical start is assigning chores for allowance, but as they get older encourage them to look outside the house for work, such as dog-walking, mowing lawns and a newspaper route. In working part-time your child will develop a sense of responsibility and makes them understand the importance of a job and managing money wisely.



Taking these steps will go a long way in setting a foundation for younger kids.

Kids & Money

Did you know that we have a website?

Visit us at: www.creditcounsellingssm.ca

Click on the 'Self Help' heading on the left hand side of the web page and then choose one of the following topics! **Kids & Money, Money & Credit Basics**

Questions? Just give us a call today at (705) 254-1424.

Nobody plans to fail, but how many of us fail to plan?

Financial Fitness is a TEAM EFFORT.

For some couples the topic of money and budgeting can lead to disagreements. It also contribute to daily stress and can impact emotional and physical health. Taking a proactive role in your finances can help improve your overall quality of life. Here are some steps to help:

1. SHARE FINANCIAL DECISION MAKING: Financial fitness is a team effort. Don't hand over the reins to your partner simply because they are better at it. Share your lifestyle goals and discuss how you plan on getting there. Chances are you have different routes in mind which, if misunderstood or poorly communicated, could cause money disputes. Understanding "the big picture" will also help keep stress at bay.

2. DON'T DO IT ALL ALONE: Third-party advice may help bridge the gap and give you a much-needed, fresh perspective on your finances. A good adviser can help you get on track and stay focused and this will make you feel more in control.

3. EASE INTO IT!: Getting financially fit is simply a matter of having the right educational tools. First, tackle the basics and then build on this foundation over time and with experience. It's like beginning a new exercise program; start with small steps, things that are easily accomplished. Boundaries are pushed a little farther every time new comfort levels are reached until eventually it becomes second nature. *The best part about it is that you won't have to don spandex to do it!*



Get financially fit to help you make more informed financial decisions! Check out our free, objective educational resources on-line at www.creditcounsellingssm.ca or in person at 298 Queen Street East. Credit Counselling Service of Sault Ste. Marie is a non-profit, charitable organization and a United Way Member Agency **helping you get back on solid ground!**

How Can I Save More Money?

We all want to know how we can save more money. Some want to build savings, and others would like to pay off their debt. Everyone, no matter who you are, should have at least three months' salary in the bank for emergencies. If you don't, make this your first priority when setting your financial goals.

The next step is to make saving money each month a habit. Perhaps you've heard the expression, "pay yourself first." This means earmarking a percentage of your monthly paycheque exclusively for savings. If your current debt is keeping you from saving money contact Credit Counselling Service of Sault Ste. Marie for a debt counselling session today.

Every Little Bit Helps

For more information please check out our website at www.creditcounsellingssm.ca or contact us at (705) 254-1424.



If you would prefer to receive a copy of our newsletter electronically via e-mail, please let us know at info@creditcounsellingssm.ca



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Depth on Debt

"It is thrifty to prepare today for the wants of tomorrow."

Unknown Author

