Creating Your Financial Future

A Financial "Tip" Sheet 2000-2

Tip For Teaching Kids About Living on a Budget!

This is a great way to teach kids how to budget their allowance. Giving a child an allowance is one way to reinforce the concept between work and pay. Once they earn money for doing household chores the next step is teaching them budgeting skills.

Set up four jars for the child's money. In jar #1 put 10% of the allowance for charitable giving and helping others less fortunate. Divide the remaining money between the other three jars. One third for "instant gratification;" whatever the child wants to spend it on within parameters set by the parents, one third for savings for short term goals, i.e. special toy; bicycle; and one third for long-term savings, i.e. buying a car, helping with college fund.

Teaching kids to live on what they earn and save for the future can begin as early as 3 years old. Although they might not understand the concept of "long term" savings for awhile it needs to taught as early as possible so it become a lifelong habit.

If your outgo exceeds your income, then your upkeep will be your downfall.

WWII Poster

Top 10 Signs You May Need Financial Planning:

1. **You think an audit is a slick little European sportscar.**
2. **Retirement planning means driving to the nearest store for a lottery ticket.**
3. **RRSP (rate of return on savings plan) is what you do to respond to an invitation.**
4. **Your idea of risk is telling your "significant other" that you're out with your buddies when an "old friend" is in town.**
5. **Paying off debt means buying the first round**
6. **T-4 is important to you because it is your apartment number.**
7. **When you talk about the market, you mean your local grocery store.**
8. **Your emergency fund is spelled "mom."**
9. **You track your spending by remembering where you left your bank card the night before.**
10. **You think a mutual fund is when you and your roommate split the grocery bill.**