

Are Dads' clichés the key to strong financial skills?

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If I close my eyes, go back to my average childhood and think about money, I can still hear my Dad's voice saying 'Money doesn't grow on trees', 'I want doesn't get' and 'Your hand will never be out your pocket'. Those were the most common ones, but there were many more! Did this have a negative effect on me, or did Dad's financial cliché's actually help shape how I manage my finances today? It's hard to be told 'No, we can't afford that' when you're a child, but learning to manage needs versus wants even at an early age is an important thing. My family was an average unit in the 1970's, Dad worked and Mum was at home raising two children. We never had enough money and in today's terms we would be classed as working poor, but somehow Mum always managed to feed and clothe us and Dad always kept a roof over our head and a car to take us places. I think my Dad's words of wisdom showed me how to get the most out of life, while slowly building security, even when you don't have two spare pennies to rub together. Forget the traditional family unit, we have many Dads opting to stay at home as Mum goes off to work, or perhaps you're a single Dad and have to fill both roles. If you are separated or divorced, it can be harder to inspire strong financial skills in your children, especially if they are regularly exposed to different income levels and spending habits depending. As a father, equipping your children with the skills they need for a successful and happy life is a huge responsibility. All too often financial literacy skills are overlooked. So for the Dad with everything to do, here is your checklist for stress-free family finances:

Budgeting – Make a weekly or monthly budget and stick to it. If you're out shopping, make a list and stick to it. If you need to make savings, look at ways you can save a few dollars every day. In my experience the average person can save between \$5000 to \$10,000 each year when they focus on needs rather than wants. I'm not suggesting that you give everything up, but I bet you can save a significant pile of money when you think about it. Help your children budget their allowance or earnings.

Savings – Take advantage of tax free savings. Each year you can save up \$5000 with a Tax Free Savings Account. This initiative started in 2009, so if you haven't opened one yet you are wasting a tax free shelter of up to \$20,000, visit <http://www.tfsa.gc.ca/> for more information. Remember to be a smart consumer when it comes to your banking, shop around for the best deal and avoid unnecessary charges and fees. Encourage your children to save for the things they want.

Debt Management – If you find you are struggling to make payments on credit cards or loans, you are probably debt overloaded. Look at ways you can reduce your current debt burden and focus on the things that are really important right now. If you need to consolidate then do so, but remember don't take on any more debt, no matter how tempted you are until you have paid everything off.

Government Support – Make sure you file your taxes and receive all the tax credits available to you including Canada Child Tax Benefit, Working Income Tax Benefit, GST/HST Tax Credits. Start an RESP (Registered Education Savings Plan) for your child and right now the government is giving away free money. Visit <http://www.canlearn.ca/eng/saving/clb/index.shtml> for more information on the Canada Learning Bond and Canadian Education Savings Grant.

Financial Planning – If you don't have one, then now is the time. Many people think that this is something you do for retirement, but even a simple one with just a few clear goals can really help you get a handle on your finances. How else will you know if you are saving enough for the future you want for your family? Important things to consider include renting versus buying, paying off your mortgage, regular savings plan, keeping debt manageable and retirement savings. You will find it is easier to do the things you really want when you have a plan in place.

Never underestimate your child's awareness of finances, if you are stressed out by poor money management you can bet the rest of the family is feeling it too. It always brings a tear to my eye, when I hear the story of a child that has offered up their savings to help the family through a difficult financial period. It always makes me smile, when the really savvy ones tell me that they charged interest.

So to Dads' everywhere please keep the clichés coming and ignore the eye rolling, your children will thank you one day! Cariboo Chilcotin Partners for Literacy provides free and confidential support to anyone wanting to improve their financial literacy skills. For more information or assistance contact kirsten@caribooliteracy.com or leave a message in confidence at 250-392-8161 (option 3) for a call back.