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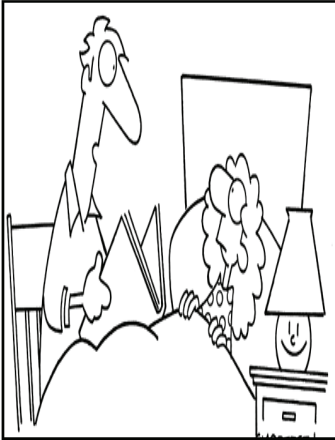
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Risk Less & Gain More

People don't plan to fail, they fail to have a good plan. If you want to know how good your plan is call Maureen

Dollars and Cents For Kids

What you need to teach them



This story is called "When you're all grown up, mommy and daddy come to live with you"

How do your kids learn about money? How will you teach them to be financially successful, rather than living from paycheck to paycheck? If you want your kids to be financially responsible adults, you have to let them handle money from an early age. They need practice spending, banking and saving money.

Here are a few issues, good and not so good, to keep in mind as parents when teaching our kids healthy habits and attitudes about money;

\$ Financial dependency

Kids could become financially irresponsible, have poor money skills, become deeply in debt or remain financially dependent on you.

¢ Loss of confidence

Kids may lack confidence to make sound financial decisions. Which could effect other areas of their life.

\$ Family conflict

Families are often torn apart by financial disputes. You need strong principles and a plan of action to avoid tension and arguments over money that can destroy families.

¢ Teaching the wrong thing

In spite of our good intentions, we could teach our kids the wrong values of money.

\$ Talk about it

Discuss money issues with your kids on a regular basis.

¢ Start early

Start discussing money with your kids by age 5 or 6.

\$ Give up control

Let them do things themselves, allow them to make bank deposits, withdrawals and their own purchases. Let them decide what to spend their money on, just offer advice.

¢ Set limits

Give them enough money to learn important financial principles, but not so much that they think money is unlimited.

\$ Let them make mistakes

Even if you think they're spending money on the wrong things. They'll learn important lessons from this.

¢ Provide structure

Help them establish a saving and spending plan so they'll have a structure to work with as they learn financial principles.

Starting kids on the right track now about money will ensure they have a healthy financial future.



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RESPECT

One of the most effective ways to save for your child's education is with a Registered Education Savings Plan (RESP). The cost of a university degree will be some where around \$96,000 by the year 2020.

Here are a few points about RESPs;

"The best place to start is where you are with what you have"
Charles Schwab

- ☺ As you save for your child's education, the federal government helps out with a 20% Canadian Education Savings Grant (CESG) on the first \$2,000 you contribute each year.
- ☺ You can contribute as much as \$4,000 yearly, with a lifetime maximum of \$42,000 per child.
- ☺ You can open a plan anytime for a child 21 years and younger, CESG is only paid until the child turns 17.
- ☺ The maximum grant paid in any one year is \$400, the lifetime maximum is \$7,200 for each child.
- ☺ You can open an RESP as soon as the child has a SIN number. The contribution room isn't carried forward.
- ☺ Contributions can be made until the child turns 21 and the plan can stay intact for as long as 25 years.
- ☺ You don't receive a tax deduction for your contributions, but the money grows tax free until the funds are withdrawn.
- ☺ A parent or grandparent can open a family or an individual RESP, other family members can only open an individual RESP for a child.

☺ With a family plan, if one child does not go to a qualified secondary institution, you can transfer the income earned to a second child as long as they are related to the parent or grandparent by blood or adoption.

☺ With RESPs, you determine how much the child receives and for what purpose.

There are many benefits to an RESP. There's also many types of education savings plans. Always seek professional advice before investing your time and money.

For more information about investments, insurance and affordable ways to make your financial plan a success, call Maureen.

To receive a copy of my book *The Gender Gap, what every woman should know about money*, contact us.

For more information:

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Maureen has been in the financial industry since 1972. Education and relationship building are the foundation for Maureen and her clients. She understands that each person is unique, having goals and dreams. She works with them and prepares a financial plan they can follow to achieve those dreams.

AMARACK:
The spirit of the wolf represents strength and guidance as a pathfinder, teacher and protector



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Tips, techniques and practical solutions for planning your future.