



Welcome to:

Raising Financially Responsible Teens

debt solutions | education | financial strategies



Our Mission

we help
we educate
we give hope

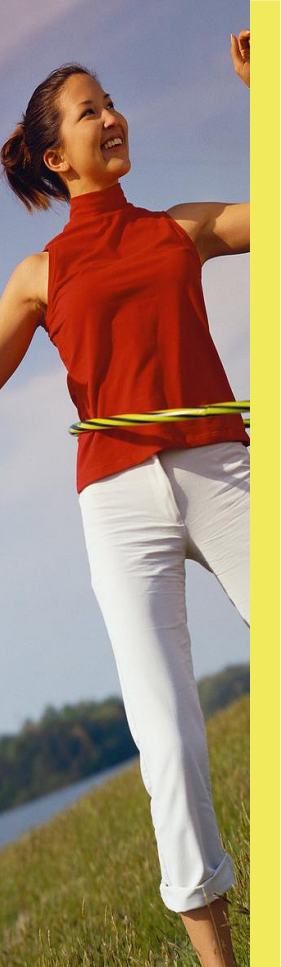




Helping Youths Become Financially Responsible Adults

At CCS we see adults who:

- Weren't born knowing how to manage their money
- Didn't learn money skills from their parents

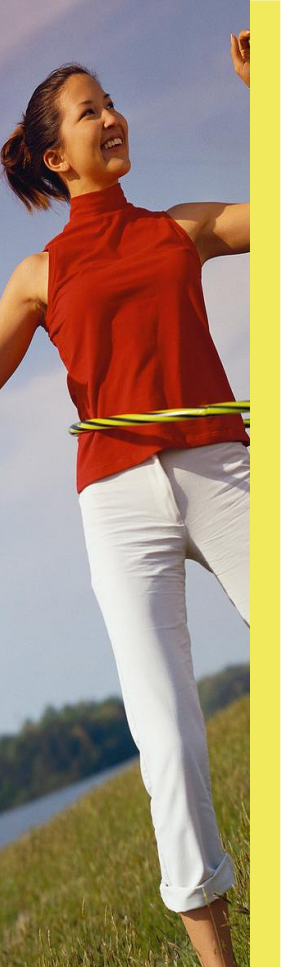




Helping Youths Become Financially Responsible Adults

At CCS we see adults who:

- Didn't learn money skills at school
- Learned from the school of hard knocks!





Consequences of Not Teaching Youth About Money

- Increased debt loads
- Increased student loans
- More credit cards





Consequences of Not Teaching Youth About Money

- Less savings
- Less money for housing
- Less money for retirement
- Difficulty becoming independent

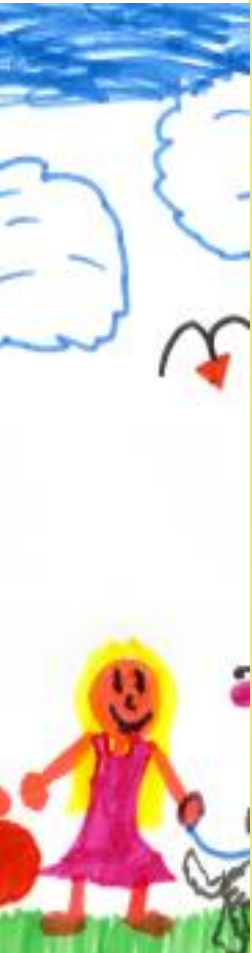




Money History

Think about how you handle money...

- What are your teens learning from you?
- What messages about money are they getting from you?

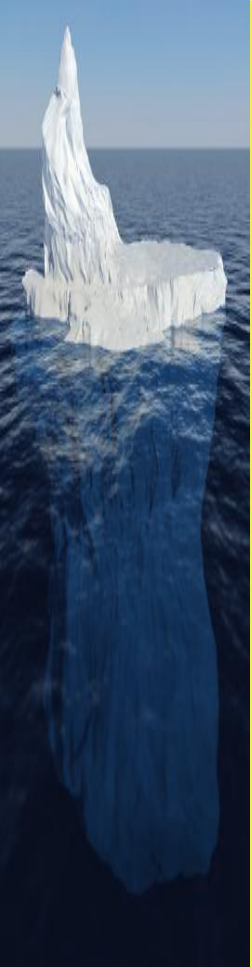




Money Values

What does money mean to you?

- Safety & security
- Freedom
- Choice
- Ability to give back (charity)
- Recognition of success & value
- Independence
- Ability to have a comfortable future
- Comfort
- Adventure



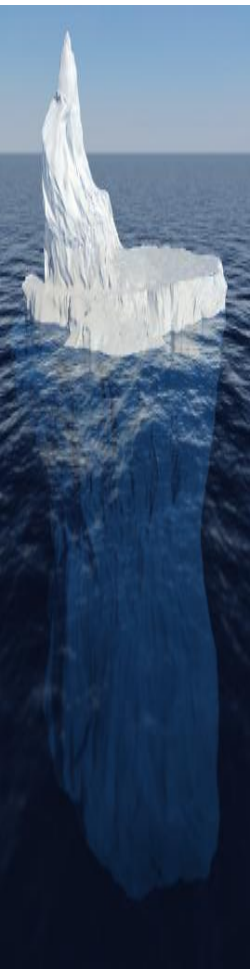


Money Values & Youth

Try having a conversation with your teen about what money means to them.

You could ask:

- What does having money give you?
- If you didn't have money, what would you lose?





The End in Mind



What do you want your teen to know about money by the time they're 18?



The End in Mind

What do you want your teen to know about money by the time they're 18?

- How to use credit wisely
- The cost debt
- Savings
- Paying for school
- Big purchases (e.g. vehicle, home)
- Future planning





Goal Setting

In 20 minutes, you can open your teen's eyes about the importance of \$\$ goals:

- What is your goal?
- Why is this goal important to you?
- What will your goal cost?
- When do you want to achieve this goal?
- What are some obstacles/costs you need to consider?





Goal Setting Example...

- **Goal:** buy a car
- **Important:** it will give them freedom
- **Cost:** \$5000
- **Timeline:** 1 year
- **Other costs:** insurance, gas, maintenance





Goal Setting Example...

- Save up to buy the car = $\$5000/12$ months = $\$417/\text{month}$
- Other costs:
 - ◆ Insurance: $\$2000/\text{year} = \$167/\text{month}$
 - ◆ Gas: $\$100/\text{month}$
 - ◆ Maintenance: $\$50/\text{month}$ for used car
 - ◆ Total: $\$317/\text{month}$ for a car
- Income needed = minimum of $\$400/\text{mth}$





Goal Setting Example...

Questions to ask your teen:

- Does this goal still make sense?
- How will you maintain that level of income while going to school?





Goal Setting Example...

Questions to ask your teen:

- Is there another way you can achieve the same sense of freedom without the cost?
- What will you do if something happens to your car?





Where is your \$\$ Going?

How can we help our teens discover where their money is going?





Tracking Expenses

- Getting teens to track their expenses helps them understand where their money goes
- This is a habit that will prevent them from becoming adults who don't know where their money goes
- Helps them self-regulate and become self-disciplined





Tracking Expenses

Your teen can track expenses by:

- Writing their spending into a notebook
- Setting up an Excel spreadsheet
- Using an app on their phone or financial software
- CCS Monthly Expense Tracker

www.mymoneycoach.ca





Pay Cheque Planning

What is pay cheque planning?

- A budgeting skill that helps your teen accomplish their financial goals
- Your teen knows that they will be paid regularly (e.g. work or allowance) and can plan their spending accordingly





Budget Example

Income: \$750

Expense	Cost	Fixed/Variable/Savings
Savings	100	Savings
Gasoline	100	Variable
Car Insurance	167	Fixed
Car Maintenance	50	Fixed
Clothing/Shoes	50	Variable
Eating Out	50	Variable
Entertainment	50	Variable
Hair Care	30	Variable
Gifts/Occasions	25	Variable
Cell phone	60	Fixed
TOTAL	\$707	

**Fixed: \$277/2
\$138.50/Chq**

**Variable/Cash:
\$305/4= \$77/Wk**

**Savings:
\$100/2 = \$50/Chq**





Irregular Expenses

- Celebrations like Christmas and birthdays come around **every** year
- Irregular expenses like car maintenance or a vacation with friends also come around
- Helping your teen prepare for these expenses through a savings plan can be very useful





Learning About Credit

What does your teen need to know about credit?

- Types
- Cost of credit
- How to use it wisely





What Is Credit?

Purchasing something today with the promise to pay it back in the future.





Using Credit

**What are some things
we typically use credit for?**





Using Credit

Things we *need*!

Things we *want*!

Things we didn't plan for!





Use Credit Cards Wisely

**\$5000 purchase on credit card, 18.9% int. (APR)
Min. payment of 3% (\$150 to start)**

Total Cost of Borrowing:





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**Repaid at \$325 per month for 18 months
is only an extra \$771.17 in interest!**





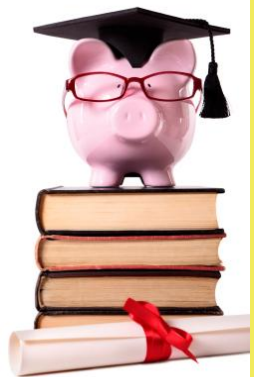
Student Loans

Loan at graduation	\$34,000	\$34,000	\$34,000
Variable interest rate, Prime (3.0%) plus 2.5%	5.50%	5.50%	5.50%
No. of monthly payments	120 (10 yrs) (+6 mths grace)	84 (6.5 yrs) (+6 mths grace)	72 (5.5 yrs) (+6 mths grace)
Monthly payment	\$412.51	\$529.93	\$596.13
Total interest paid	\$15,501.66	\$10,514.23	\$8921.37
Total amount paid	\$49,501.66	\$44,514.23	\$42,921.37



Student Loan Facts

- About 25% of students have difficulty paying back their student loan
- Canadians cannot declare bankruptcy on student loan debt until they've been out of school for 7 years
- High student loan debt may limit job opportunities for a young adult





Using Credit Wisely

You can teach your teen to use credit wisely by:

- Discussing needs versus wants
- Teaching them to use cash/debit and savings





Using Credit Wisely

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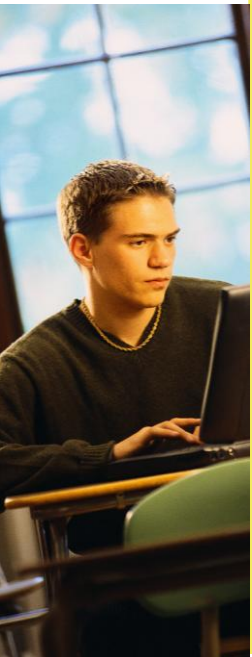
- Demonstrating the importance of paying credit cards monthly
- Demonstrating the cost of credit
- Being a great role model with credit!







Some Final Points

- Money is an essential life skill for people of all ages so TALK, TALK, TALK about it with your teens!
- Teens observe everything so walk your talk





Learn More

- Discover more through our:
 - Monthly newsletter
 - Helpful websites
 - Social media  

www.mymoneycoach.ca/follow





How We Help

- Confidential, *no-cost* credit and budget counselling
- Toll-free telephone counselling, **1.888.527.8999**
- Debt repayment programs and alternatives
- Consumer workshops on credit and money issues
- Online assessments and information
- Referrals to other community and professional services
- Helpful money management tips on our websites:

NoMoreDebts.org MyMoneyCoach.ca