



THE MANITOBA
SECURITIES
COMMISSION

NEWS RELEASE

FOR IMMEDIATE RELEASE
February 16, 2004

RRSP Season

Now is the perfect time to talk to our kids about money

Winnipeg, Manitoba – It's RRSP season and we're being inundated with information on investment products and opportunities. While we're trying to make an appointment to see our Financial Advisor, we should also be scheduling time with our children to take this perfect opportunity to talk about money, finances and the importance of investing for the future.

"Children can be introduced to money as young as 3 years old," says Ainsley Cunningham, Education and Information Coordinator, Manitoba Securities Commission. "It's important for our children to realize that virtually every need or want we might have in life – food, shelter, education, travel or retirement is going to cost money. Exposure to this fact at a young age is important."

Cunningham adds that teenagers today know how to spend money but not how to save. "Young people are earning money from part-time jobs, allowance and gift money. Canadian youth are spending over \$14 billion yearly on food, clothing and entertainment. Virtually no money is being saved or invested. They're fortunate at this point in their lives to have time on their side and very few expenses. They are in a perfect position to really get ahead. Good habits formed in youth are likely to be carried into adulthood. Let's take the time today to talk to our kids and set them up for financial success rather than financial hardship."

Parents shouldn't feel like they need a special training to talk to their children about money because our own life experiences speak volumes. Here are a few simple ways to involve our kids and start the discussion process:

- Introduce your children to money as early as age 3. Talk about the cost of items and help them understand how we exchange money for goods or services when you go shopping or out for dinner. You may want to begin an allowance at this age.
- With children 5 to 8 years old, set up a piggy bank or jar system for saving. Encourage your child to put some money aside.
- Between 9 and 12 years old, have them open a bank account. Help them to deposit money into the account. At the same time, start to identify some short-term goals that they would like to achieve like saving to buy a toy or book. Work with them to meet this goal.

1130-405 Broadway
Winnipeg, Manitoba
R3C 3L6
tel: (204) 945.2548
fax: (204) 945.0330
www.msc.gov.mb.ca

- Once your child understands the concept of saving, you can work with them on a basic budget. Set-up their piggy bank or jar system to include saving, spending, investing and giving. Work with them to determine how much they would like to put into each category.
- Openly discuss such money matters as fixed payments (mortgages and taxes) and fluctuating bills (groceries, heat and gas). Showing what you need to put aside to pay for the essentials each month, helps your child process what it takes to be financially responsible.
- Talking about your financial successes and achievements allows your children to see the rewards of good planning.

For additional information or for a list of resources on teaching children about money and finances, contact Ainsley Cunningham at (204) 945-4733. Log onto the MSC website at www.msc.gov.mb.ca to get your teens involved in the **“Test your Financial IQ” contest**.

- 30 -

For more information contact:

Ainsley Cunningham, Education & Information Coordinator
Manitoba Securities Commission
(204) 945-4733 or 1-800-655-5244 e-mail: aicunningh@gov.mb.ca

The Manitoba Securities Commission is an independent office of the Government of Manitoba that protects investors and promotes fair and efficient business practices throughout the province. We are dedicated to ongoing investor education and one of our goals is to educate young people about personal finance.