

Indigenous Peoples' MONEY AND YOUTH



Caregiver's Guide

Module 14 - Protecting Assets and Planning for Financial Independence

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Why is this important?

As youth increasingly become involved with money it is important for them to consider how they will go about saving some of it. It is equally important to understand how to protect that money and any assets that they start to collect. Assets include the traditional items that may have been made or passed down to them. This is the time when they should start to consider matters such as ensuring that their money is secure. As parents and guardians, we need to give thought to ways we can help our children understand and utilize this important aspect of money management. They have to understand the need to protect what they have worked so hard to obtain and guard against any unforeseen developments that will take those things away. In addition, our children need to start thinking long-term. That means they need to consider the lifestyle they would like to have both during their working careers and then during retirement, and also how to protect their financial independence so that they are able to achieve it. They should give thought to how they can start to safeguard those dreams by investing in them at an early age.

How About You?



You are just starting your working life. But do you hope to not have to work to make a living some day? If so, when – when you are 45, 55, 65, 75, ever?

Ways to engage young people and fun things to do:

Thinking longer-term you can hold a discussion with them about how it is never too early to start preparing for financial independence. The discussion should include retirement and examine such things as what types of pensions are available and how they can be augmented with such things as investments, RRSPs and the sale of assets. See websites below for added information.

Discuss



What are some of the common risks that young people face? What, if anything, can they do to reduce those risks?

Money Wise



If you can, and can afford it, look into a “driver education” program. Not only may it help make you a better driver, it may help lower your insurance costs.

Money Wise



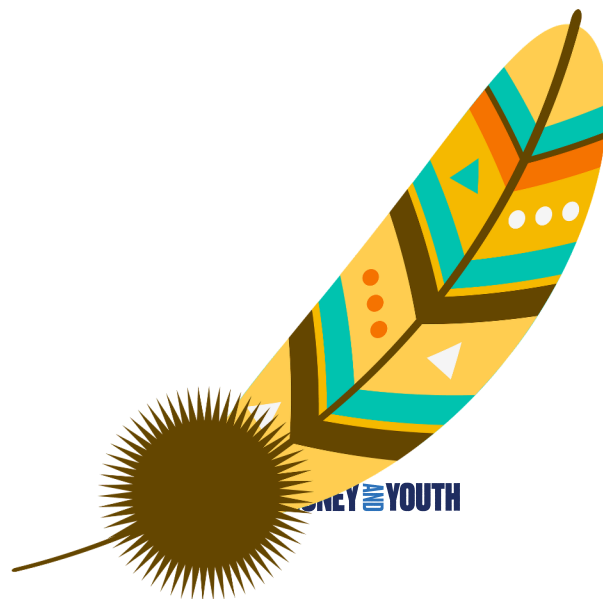
If you move out and rent a place – or if you have already – look into “renter’s insurance.” You might want some to protect you in case anything happens to the place you are renting – and it’s your fault.

Don’t put off thinking about life insurance too long. No one wants to think about dying – but life insurance policies can be a lot cheaper if they are started at a young age. As soon as you start thinking about forming a household with someone, or having a family, start to think about – and look into – health and life insurance.

How About You?



Do you know people who are working well past age 65? Do you see people over age 65 working at jobs in your community? If so, do you think it is because they need to work, or does the employer need or want their services?



Personal Money Guide: Keeping Control of Your Money

- 1. Pay yourself first.** Save when you can. Start early to benefit from compound interest. Make saving a “habit.”
- 2. Plan ahead.** The future will be the present some day. You will want to enjoy that too. For some things you may want in the future, you will have to begin planning today. Plan for all phases of your life. And be prepared for the unexpected expenses that may come up.
- 3. Pause and think** – even for a minute – before making a significant purchase. Do you need it? Why are you buying it? What are the trade-offs – today and in the future? Have you taken time to compare prices and options?
- 4. Ask until you are comfortable.** Information is the key to making a good decision. Learn enough to know the kinds of questions you should ask – and then ask them. If you don't get the answers that you need, or can't understand, be cautious about moving ahead.
- 5. Know your credit limit. And live within it.** Work out how much debt you can afford to carry. Borrow what you can afford and, if you get to your limit, shut down any further borrowing.
- 6. Resist temptation.** It may be hard. There are so many efforts to make you “buy this,” and “buy that.” Buy what you need and want – not what others want you to buy. Keep in control.
- 7. Return = Risk.** Consider the possible risk as well as the potential return on any investment. The more you hope to gain, the more you risk losing. Find a balance between the two that is right for you. And remember, if something sounds too good to be true, it possibly is.
- 8. Read the fine print.** The things people want you to see will usually be big, bold, and obvious. It's the things they might not want you to see that will be in the “fine print.” Take time to read the fine print before signing.
- 9. Avoid fees and penalties.** Many people pay fees, interest, penalties, etc. that can easily be avoided. Make sure you have bank accounts, credit cards, cell phone plans, etc. that are right for you. Pay bills, taxes, etc. on time. Late charges can really add up – and late payments affect your credit rating.
- 10. Seek advice when needed.** You can likely handle some aspects of managing your money. Some things can be complicated. If you can handle those too, go right ahead. But, if you are uncomfortable or unsure, consider getting some advice. You may pay a fee – but it could be worth it. Make sure the person you work with is trained and registered to provide the services you need. Ask about fees.
- 11. Know where your money is going.** Nothing is more important to help you stay in control of your money. Is it going where you want it to go? Are you saving enough? Are you spending too much in some areas? Do you want to put some money toward helping others? Tracking your spending is very important. A budget can be very helpful. It can help you get control of your money – and keep control. And keep good records, as well as receipts, warranties, etc.
- 12. Money can't buy happiness!** But it can help – and it can cause unhappiness and stress. Try to keep control of your money. Keep in mind that many things in life that matter most have little to do with money – family, friends, relationships, experiences, adventures, and so on. Don't let money problems get in the way of your happiness.

Additional Background and Related Websites and Resources:

- Two Main types of Pension Plans - <https://www.getsmarteraboutmoney.ca/learning-path/pension-savings-plans/>
- Canadian Government Retirement Benefits - <https://www.getsmarteraboutmoney.ca/plan-manage/retirement-planning/planning-for-retirement/government-benefits-cpp-oas-gis/>

How About You?



Have you or members in your family had experience with internet scams – attempts to get you to send personal information, PIN numbers, bank account numbers, etc.?

**Control your money as
best you can.
Don't let it control you.**