My little savings project

Just like all of you, your kids may have plans and desires: buying a new scooter, a flute or tickets to a concert may be on his or her wish list. And the way to get there is to save.

Kaleido and Nataly Labelle[1] have created the «My little savings project» tool as a fun way to open an initial discussion on money and savings with your kid, using a theory sheet and a decision tree game.

You have to learn to develop good financial habits. And the sooner the better!

#1 Help your kid ask and answer this question: **how can I make money?**

Most of the time, you get money by working. But your youngster can't work yet. What's the solution? **Get money other ways.**

It's up to you to help them identify these skills! Here are a few examples:

> Putting **fallen teeth** under the pillow for the tooth fairy (a coin for each tooth).

> Getting **pocket money** (from parents).

> Earning money for a **service rendered** (to neighbours, family, yourself, etc.).

> Asking for money as your **gift on birthdays** or other appropriate occasions.

Once this money has been collected, the best thing to do is to save.
Teach them the benefits of this financial strategy that will help them realize their projects!

#2 Teach your kid what **«saving» means and why it's important**

What's that?

Saving is the act of putting money aside for a specific purpose.

Why save?

Because it allows you to realize projects, purchases and activities.

As a parent, it's your responsibility to help your child understand that saving is better than spending, because saving will help them achieve their goals.

For a good start in financial education, it's simple: you should save according to what you want to do with your money! This is what we call **a financial goal**.

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1 Nataly Labelle, a former financial advisor, now devotes her time to financial education for young people.

#3 Support them during the **time it takes to save this money**

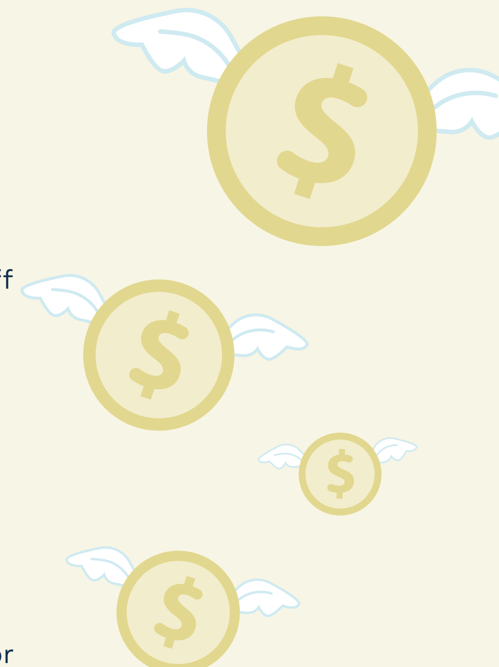
Kids' concept of time can be blurred. As a result, the time it takes to accumulate money can seem never-ending. To help **reduce their impatience**, here are a few suggestions:

> **count the days on a calendar** and tick off each one that has already passed.

> **count the balance in their piggy bank**, or check their bank account balance every time they add money to it, to find out how much they are short to complete the project.

> **tell them about your own experience** of saving for a particular goal.

Patience is one of the skills everyone needs to develop from an early age when it comes to saving (and not just saving!).



#4 Encourage them to develop some **financial discipline**

Instilling a little financial discipline at a young age will undoubtedly pay off in the future!

But what does «financial discipline» mean?

Well, when we talk about saving, it simply means **not spending money unnecessarily and sticking to your financial goals.**

To help your kid maintain this sound financial discipline, suggest a ritual: counting the pennies in their piggy bank once a month, rechecking their financial goals once every two months, etc.

Finally, explain to them that when the desired amount is reached, they can withdraw the money from his piggy bank or bank account and make their financial goal a reality. They're going to be so proud of themselves for having succeeded in saving and keeping their goal in mind! It's a good start to a financial education that's just beginning.

EVER HEARD OF EDUCATION SAVINGS?

Education savings help you plan your child's educational future with peace of mind. Through an investment called an RESP (Registered Education Savings Plan), you can **save for your child's post-secondary education**[2] and reach your financial goals more easily.

In fact, your money is supplemented by **generous government grants**[3] which, over time, will grow your savings, all tax-free.

It's simple and really worth it! For more information on RESPs and Kaleido, go to **https://www.kaleido.ca/en/what-is-an-resp/** or contact us directly at **1-877-410-7333** (toll-free).

2 For the complete list of eligible post-secondary programs, see our prospectus at kaleido.ca.

3 Subject to obtaining necessary authorizations to proceed with grant applications. See our brochure at kaleido.ca.

Let's make this fun!

Walk the path with honesty and see if your savings plan is realistic! Will you be able to follow your financial objectives, maintain good financial discipline and think about your project without letting yourself be tempted by a shortcut?

DÉPART

Do you have a project to finance?

YES → **Good news!** Draw or write what it is in 1 or 2 words in this box.

NO → **OK!** Take a moment to think about a project that needs funding and then come back to play when you are ready.

Do you know how much money you need to make it happen?

YES → **That's a good start!** Write the amount in this box.

NO → **All right!** To help you work out how much you need, ask your parents or do some research (on the Internet, by looking at the price in a store, by asking your friends...), then come back and play!

Do you have enough money to realize your project?

YES → **Excellent!** You already have good financial habits that have helped you reach your goal. We hope that saving is one of them. Have fun!

NO → **Um...** So you're going to have to raise some money to get there. Let's see how you can do it.

SHORTCUT → Your parents will give you the money you need. → **OOPS!** You forgot you were supposed to save. Take another chance!

Do you have money coming in on a regular basis?

YES → **Great!** This will help you finance your project. Keep saving. You're on the right track.

NO → **All right.** What could you do to get some money for your project (work around the house for money, rake leaves in the neighbour's yard, babysit your little sister, etc.)?

SHORTCUT → You ask your parents for all the money, it'll be quicker! → **OOPS!** You forgot you were supposed to save. Take another chance!

Do you know when you'll be able to carry out your project?

YES → **That's great!** Now all you have to do is count the days on a calendar and tick off each one that has already passed until the big day. It looks like your project is going to see the light of day very soon! A big **CONGRATS** to you. **Now you know what «saving» means.**

NO → To work out when you'll have enough money to complete your project, you need to do some math. This will help you work out whether the time you have planned to accumulate your money actually corresponds to the amount you need. → Once you've done the math with Mom or Dad's help, you'll see how long it will take to realize your project. First of all, a big **CONGRATS** to you! **Now you know what «saving» means.**

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