

## ***DOLLARS AND SENSE SHOULD BE TAUGHT IN SCHOOLS, SURVEY FINDS – TS***

by Kristin Rushowy

Parents and schools should take the lead in educating kids on financial literacy, says a survey conducted for the Canadian Institute of Chartered Accountants.

But governments and the financial services industry itself also need to step up and make sure that today's youth learn basic money smarts, the telephone survey of more than 1,000 Canadians found.

"We're all very busy people, we have a lot on our plate and (financial literacy) is just one of those things that has fallen by the wayside," said Nicholas Cheung, a senior official with the Canadian Institute of Chartered Accountants.

"It also comes from learning from parents" — but many parents say they feel ill-equipped to teach their children, he added.

The survey, conducted by Harris Decima last summer, found that 85 per cent of those contacted believe schools should teach money management, and 98 per cent said parents should.

However, while 78 per cent of parents have tried to, most don't feel they succeeded, it also found.

Cheung said the accountants' institute is looking at creating a how-to book for parents and is also developing online resources. It is also awaiting the recommendations of a federal task force on financial literacy.

Cheung said parents can employ several strategies starting at an early age, such as “using the old piggy bank, getting kids interested and helping them understand the value of a dollar.

“It could be an early allowance; they learn they’ll get a dime or a quarter every week, and what they can buy with the money they’ve saved.”

Today’s teens, he added, have less opportunity to learn about financial management skills. They rarely handle money, from using gift cards to making online purchases usually with their parents’ credit cards.

Next fall, the Ontario government will add money management issues to the curriculum in several subject areas starting in Grade 4.

“The focus will be on helping students develop critical money-management skills and will include topics such as the concepts of income, money, earning, saving, spending, investing, budgeting, credit and borrowing, risks and rewards,” among other issues, said Mike Feenstra, spokesperson for Education Minister Leona Dombrowsky.

“We recognize the importance of providing youth with the knowledge and skills they will need” now and in the future, he also said.

Gertrude Armbrust, a Toronto resident and retired kindergarten teacher, thinks teens should be taught how to buy a house.

“People don’t even know how to buy a home, or about land title, or mortgages,” said Armbrust, who contacted a Toronto public school board trustee about implementing such lessons at local high schools.

“People in my building have no clue where to turn to start — they are so puzzled and afraid. If they were educated, it would be a totally different ball game.”

Cheung says financial literacy is a lifelong learning process.

“Saving money for a new baby, whether to buy or rent a home, or save for retirement — financial literacy has to be throughout your life.”

The survey was conducted by telephone last June and July, and is considered accurate by 3.1 per cent, 19 times out of 20.

Financial literacy 101

What Canadians have to say about their money smarts:

- 84 per cent say young people don't have the knowledge to manage their finances when they enter the workforce;
- 22 per cent of 18 to 29-year-olds have no savings or investments;
- 12 per cent of all adults have borrowed money to cover day to day expenses and almost half still owe ;
- More than half of Canadian adults (51 per cent) are currently saving less than 10 per cent of their monthly income; 11 per cent save nothing;
- Canadians want information on minimizing tax, avoiding fraud and help teaching kids about money.

Source: Canadian Institute of Chartered Accountants