



Common *Cents*

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Tech Tidbit– Teaching Kids About Money

Teaching kids about money is an important step in building financial independence. Various studies show that the earlier children are exposed to good financial management skills the greater success they will have financially later in life. But teaching about money goes beyond learning the denominations of bills and coins. The following apps can help kids learn to manage their money in a way that is increasingly becoming the norm, digitally.

Kids Money (iOS): This app helps kids set a savings goal, track their progress towards their goal and also teaches them how to manage their pocket money.

Save! The game (iOS): Developed to teach kids the difference between needs and wants. Throughout the game, kids interact with the digital world to collect digital currency while avoiding wants.

Bankaroo (iOS/Android): Designed to help kids manage their income and expenses. Helping to see where their money is going and what it is doing for them is the basis of every adult budget. Reviewing the Bankaroo statements with your kids will help them get a grasp on basic money management concepts.

Summer Is Just Around the Corner

Have you thought much about your summer plans? Summer vacation will creep up fast and it is best to be prepared early. You still have time to start saving for that trip down south or further.

Let's say your family needs to budget \$900 to spend a week visiting relatives in Southern Ontario. If you have 12 weeks before your family goes away, you have 6 full paydays. You can allocate \$150 towards your vacation from each of those pays and have the \$900 to put towards your vacation.

The best part, it will be paid for! You won't have to finance your trip by borrowing from credit and spend years paying it down after the fact.

Spring Cleaning Your Finances

Get your Taxes in Order: Ensuring you get your taxes done in a timely manner is important. Not only could you be leaving money on the table in the form of a return, but it is always best to know if you owe taxes, as this could prevent you from accessing benefits that could help you financially.

Prioritize and Put that Refund to Use: Refunds are great, however, refunds represent money you worked for throughout the year and are really just a delayed form of income.

Refunds can be fun money if you are debt free, otherwise, using your refund to pay down debts will put you ahead financially all year.

When deciding which debts to pay off first with your refund, you have two routes you can take. The first route would be to pay off as many small debts as you can. This gives you a great confidence boost and frees up money to apply to larger debts over the year. The other route is to pay off, or dramatically pay down, the debts that cost you the most. These are the ones with high interest rates that cost more in the long run.

Get a Credit Report: Your credit report is a snapshot of your overall credit health. Getting one yearly helps you know what is happening behind the scenes. Your credit report can tell you who has looked at your credit history, and highlights anything that doesn't belong there. By fixing these errors you can improve your credit score and identify possible fraud.

These simple steps can help to kick-start your financial spring cleaning and help to get you on solid financial footing for the summer and beyond.

Credit Scores, Credit Reports and You

According to a recent BMO report, almost most Canadians (56%) have never checked their credit score. Your credit score tells you a lot about your overall financial health. But, there are some misconceptions out there regarding credit scores and credit reports.

Credit Scores: Your credit score is a three digit number (between 300 and 900) produced by Canada's two large credit reporting agencies, Equifax and TransUnion. These scores are based off of different methods so, a score from Equifax will be different than a score from TransUnion. Your credit scores are used to determine your overall credit trustworthiness. The higher the score, the better you have maintained your credit and the more trustworthy you seem in the eyes of lenders. A "good" credit score is subjective, but many consider 680+ to be "good". You must pay for your credit score.

Credit Report: A credit report is a list of all your credit products that are in your name and your payment history for each account. A credit report will assign a number from 1-9 (there is no 6) for each account. The lower the number the better. A 1 represents consistent payment of account, where as a 9, represents an account in collections or an account that had been included in a bankruptcy. Credit reports are free for all Canadians, once a year.

Both your credit score and credit report will have a record of who has looked at your credit history over time. There is some misconception regarding 'hits' on your credit. A hard hit is when a company accesses your credit report. These will cause a temporary blip in your credit rating downward. A soft hit occurs when you look at your own credit rating. Soft hits are not calculated in your rating and have no effect one way or another.

There are five main actions that impact your credit rating positively or negatively: payment history, amounts owed, length of credit history, new credit, types of credit used. To maintain the best possible credit rating "do good things" with your credit. Don't open too many credit accounts, pay off balances in full, avoid multiple hard hits in a short period of time, avoid closing too many credit accounts all at once, and fix any errors in your report.

If you see an error on your credit report or in your credit score contact the credit reporting agency immediately. Errors occur for a number of reasons including, identify fraud and input errors. It is your right to have errors investigated and fixed. To report errors, contact the credit reporting agency that issued your credit report or credit score.

We often get caught up in our credit scores. But, the reality is that while credit scores are a snapshot of your financial health they don't look at the whole picture and should be taken seriously, but not necessarily as your only marker of overall financial health.



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Since 1969, Credit Counselling Service of Sault Ste. Marie and District has been providing assistance to the people of Sault Ste. Marie who are experiencing the stress of financial difficulties. This non-profit, registered charity, and United Way Member Agency helps people from all walks of life. There are no fees for debt and money management counselling sessions. Professional counsellors work with clients in a relaxed and fully confidential manner. The Agency is an accredited member of the Ontario Association of Credit Counselling Services and the Canadian Association of Credit Counselling Services.

While the information herein is believed to be accurate, Credit Counselling Service of Sault Ste. Marie & District assumes no responsibility for errors, omissions or actions based on this information.

