

Money-management tips to get young people through the holiday season

By Franco Lombardo, on behalf of the Chartered Accountants Education Foundation of Alberta

According to an Ipsos Reid poll conducted for the Royal Bank of Canada in 2013, the average amount spent on gifts during the holiday season is \$629 per person. This is quite a bit for most young people, considering 51% of high school graduates carry an average of \$8,000 in debt, (2011 BC Securities Commission National Report Card on Youth Financial Literacy).

Why you spend the way you do

So what drives us to spend money? Speaking from personal experience, I used to spend money (that I didn't have at the time) so others would like me. Why would I behave this way? Because I had a Money Motto™, a belief about money, thinking I did not fit in and was not valuable. This belief influenced how I handled my money. In other words, it controlled me. Everyone has a Money Motto™, and once you find yours, you will find out how it influences your money-management habits and behavior.

How to manage your finances

With the holiday season upon us, there comes the added pressure to spend, spend and spend. What can you do to be in control of your money? Here are a few simple tips to assist you as you navigate through the season:

1. Understand your Money Motto™ Style. Awareness is the first step. You can discover your Money Motto™ Style by taking the questionnaire at www.themoneyproject.ca
2. Set a budget that is affordable to your current circumstances.
3. Create unique gifts for people by using your own creative talents (baking, painting, writing a poem or song). Thoughtful gifts are usually the best and most memorable ones.
4. Let go of a grudge. Forgiveness is not only a gift, it is a blessing.
5. Spend more time with loved ones – that's what the holidays are all about.

Reflect on what the holidays are truly about

Imagine, you show up at a Christmas gathering with your gifts. The gifts you created and choose specifically for each person that matters to you. For your siblings, you have written a poem about forgiveness and how you have let go of the grudge you have carried. For your parents, you have put together a collage of pictures, your story of events and milestones. For your girlfriend or boyfriend, you have baked their favorite cookies, because, after all, all of us love cookies. As the gifts are unwrapped and you see the appreciation from each recipient, you are filled with joy. It's at that precise moment you realize what the holiday season is really about: time with the ones we love, showing them how much we love and appreciate them.

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