

A JOB WILL NOT SECURE YOUR CHILD'S FINANCIAL FUTURE!

Money Skills and good financial habits will!

By: A. Keshelle Kerr

Five a.m.: rise, eat, and dress. 6:30 a.m.: get kids up and off to school. 7:00 a.m.: begin to fight traffic. 9:00 a.m.: arrive at a job you hate. Want to offer your child an alternative? As a parent, you already have incredible responsibilities. So, I'm going to make securing your child's financial future easy.

Although there are not scientific reports to confirm this, it is still safe to say that a large majority of Bahamians are dissatisfied with their jobs. From personal experience and talks with many individuals, here's what I think the reason is. Many people fall into a job. Most accept the first decent paying one out of school. If it's not something they're particularly crazy about, they conclude that they'll take it until they figure out what it is they really want to do.

Usually, the demanding responsibilities of rent, student or consumer loans, credit cards, etc. take over, making it hard to focus on what you really want to do. After 3, 5, 7 years in a field, it becomes more difficult make a career move because it often means a salary cut. At this point, however, a salary cut is often out of the question because of the above-mentioned financial responsibilities. It evolves into a vicious cycle, some call it the Rat Race. Don't let your child fall prey to this reality.

Society has programmed us to follow a certain path. The reality of how young people are supposed to grow up and support themselves - the fact that after high school you go to college, and the belief that if you work hard enough at your 9-5 job you would be rewarded with the lifestyle of your dreams. Unfortunately, the vast majorities of people has yet to experience this freedom and are stuck in a cycle of debt, stress and disappointment. Rather than follow the conventional path that was created centuries ago, we must begin to teach our children to trust their instincts and seek other non-conventional methods to becoming financially secure.

My 8 year-old daughter has considered several businesses in her young life – from selling delicious desserts to opening a fashion empire. Her thought pattern is not "what do I want to be when I grow up" but "what business do I want to start when I grow up." This did not just happen however. It took an effort on my part to develop that mindset.

So as parents, what can you do? The guidelines outlined below gives three ways you can put your child well on his/her way to financial success.

1. Develop a passion and start a business:

Teach your child to focus on what they love to do and figure out how to make a living from it. I once attended a local seminar when when I heard Mr. Michael Pintard make this point, "Find your passion and make it pay your bills and of course, help others in the

process.” I have never forgotten it! That is exactly what we should be teaching our children.

The seed of entrepreneurship have to be planted early. I can tell you that it may not be easy but once you discover its joys, it becomes addictive. There are many business owners who can attest to this fact, me included. More often than not, entrepreneurs are known for starting company after company; some may fail and some may succeed but it is the joys of entrepreneurship that keeps us going!

When I speak with youth in my programs about business ownership, they are always excited. However, a sad part of these discussions is when they comment that they had never thought about owning a business. When I ask why not, they reply that no one ever discussed it with them.

Remember, give a man a food and you give him a full stomach. Teach him how to grow food and you give him independence.

2. Manage debt:

Debt is a major factor when considering career choice. Massive debt limits the ability to make life changes. Teaching children to manage debt, especially credit card debt, adds immensely to their future. This also imparts another valuable lesson - patience. Credit cards are excellent financial tools when used correctly. Rarely is a purchase by a teenager so important that it can't wait to be paid for in cash. Debt, is one of the biggest hurdles in wealth building, ask me how I know! If we can help our children to avoid bad debt and teach them only how to use it wisely, they would be ten steps ahead of those who are not taught.

3. Save and Invest:

If your child starts saving nominal amounts of money early, it practically won't matter if they ever make lots of money. Teach them early that securing their financial future is not about how much they make, but how much they save.

Once they have a sufficient amount of money saved. Allowing it to sit a savings won't only cut it. Tell your children that saving makes you smart, but investing makes you rich! Robert Kiyosaki shared in his book “Rich Dad, Poor Dad’ for Teens how his “rich father” ensured that he understand one concept needed to establish a solid financial future. It was this, “Know the difference between, assets and liabilities, and then buy assets”. That means to invest in things that will put money in your pocket. The key to financial freedom is passive income and that can only come through investing. If you want to help your teen form an investment club with his peers. I would be happy to help you in this process.

Investing \$100/month and earning a 9% return for 50 years amounts to \$1,166,910.35. How many of us blow \$25/week without even thinking about it? If your child saves \$25/week beginning at 18 years, without any other form of wealth accumulation, they will be millionaires at 68. That's not bad right, a nice nest egg for retirement. However, tTo take it even further, if they then begin to put their money to work for them (invest), they could become millionaires much much sooner!

These days, we should only see a job as a way to provide us with the money we need to make our dreams come true. Money is a tool to reach our dreams. Teach your children to use jobs as a means to save and learn. They then use the money they saved and the knowledge they've gained to start businesses of their own and invest in assets that make them financially free!

The April 13, 2003 issue of The New York Times Magazine featured a story about a gentleman who used to make 300K/year. Now he's selling khakis at The Gap for \$10/hour. Don't get me wrong, I love The Gap! But, what does this say to us? Its simple: That a job will not secure your future, no matter how much a person makes – only good money skills, a proper financial mindset and the right habits in life will!

Keshelle Kerr is the owner of Creative Wealth Bahamas, a company whose mission is to put kids, teens and young adults on the road to financial independence. Feel free to send your comments and questions to her. For a list of programs, visit www.creativewealthbahamas.com. For a customized program or talk for your special event, call her the number above.