



**Sunil and Nita LLP**  
Tax and Business Advisors Chartered Professional Accountants



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## **Back to School**

Kids are back to school and some of us may have spent significant dollars in preparing them for back to school. We all love our kids and want the best for them. Normally parents try to give kids more than what they had received when they were growing up. We understand that times have changed and there is more pressure on kids now than ever before. Depending upon the individual circumstances, this may cause financial stress if spending increases than affordability. Let's try something different for next year's back to school shopping by including kids as well. We believe that it will be fun and good education for your child.

We suggest following steps:

1. Open a bank account in your child's name. This account should be in addition of RESP savings,
2. Teach your child the fundamentals of bank accounts and they understand how money grow in a bank account,
3. Follow the principles that kids allowance should be earned to teach your child value of money. Make sure that chores are appropriate for your child's age e.g. loading dishwasher, folding clothes, mowing the lawn, dusting the living room. Remember, to include some unpaid tasks as part of family responsibilities; for example, tidying/cleaning their room or walking the family dog etc.
4. Reward your child for good grades. This will teach them to go above and beyond to earn some extra cash,
5. Discourage to have piggy banks. Piggy bank does not teach kids how to save rather it's a fun way to stash away some change. Also, Piggy bank does not teach kids to check account balance and they have no way to use money unless they break the piggy bank,
6. Teach your kids the importance of donating. Donating a small amount will help your kids understand the joy of helping someone in need.

The above steps will help your kids to save money during the year. At the time of back to school shopping, have a conversation with your child to encourage him/her in participating in preparing for the school year. Tell your child that you will provide basic school supplies but they will have to spend from their bank account

for anything extra they want. For example, your shoe budget is \$95 and the shoe your child likes is costing \$135. Encourage your child to withdraw money from bank and contribute the extra \$40 from their bank account. Same principle will apply for other supplies. Financial contribution will teach kids value of money and you will be surprised that school supplies will last longer because your child is also a part owner.



### Available Tax Credits

Remember to take advantage of various family related tax credits:

1. Canada caregiver tax credit,
2. Adoption expense tax credit,
3. Tuition credits transferred from a child,
4. Cost of exams for accreditation as professional or trade person, and
5. Tax credit for an individual performing at least 200 hours firefighting or eligible search & rescue.



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