

# The Just Word Podcast

## Transcript of Episode 22 – The Wisest Investment: Your Kids

Guest: Robin Taub

**Pat Bolland** 00:00

Robin, a pleasure to meet you.

**Robin Taub** 00:02

Thank you, you too, Pat,

**Pat Bolland** 00:04

I got to admit The Wisest Investment, Teaching Your Kids to be Responsible, Independent, and ... smart money for ... Money-Smart for Life was an intriguing title. What enticed you to make a book?

**Robin Taub** 00:17

Well, as you mentioned, in your intro, I have a financial background being an accountant by training. And this was something that I always felt was really important to pass on to my own kids having financial literacy, knowledge, skills and confidence to be able to make responsible financial decisions throughout their lives. But I also knew that a lot of parents struggled with this topic themselves, and with how to teach their kids about money. So I felt like I wanted to pass on the you know, what I had learned with my own two kids. And I did a lot of research as well, before I wrote the book, to try and help other parents teach their kids about money so that they could become Responsible, Independent and Money Smart for Life.

**Pat Bolland** 01:02

Dave Chilton described your use of language as "short and punchy". But then you have great examples that are age and stage appropriate. I haven't seen a book written that way in the past, what created that?

**Robin Taub** 01:18

Well, I felt it need, I needed to come up with a structure that was practical. And that would help put parents at ease. And they wouldn't feel so overwhelmed by this whole topic, because it is vast. And you know, within personal finance, there's so many things that you can talk about. So what I tried to do was I both boiled it down into the five pillars of money. So five key areas being earn, save, spend, share, and invest. And then I thought, well, what do what do parents need to teach their kids at each stage, and I broke the different stages of childhood into young kids, so five to eight, preteens, nine to 12, teenagers, 13 to 18 or so and then emerging adults, 19 and up. And so within the book, within each of those chapters, I get into very specific topics and examples - activities and family discussions for each of those five pillars at each age group, because the information that you share really needs to be age appropriate in order for your kids to understand it, for it to be meaningful to them, and for them to be able to actually implement it in real life.

**Pat Bolland** 02:29

And in fact, you give instructions on how to do that, because you have sections on family discussion and on things to do. And part of that included things like chores, it's not something that easily comes up in this age of entitlement.

**Robin Taub** 02:44

Well, that's just that's just it, and the chores comes up usually, with within this topic of allowance. So people always ask, Should I give the kids, their, you know, their allowance connected to chores? Or should I just give it to them as a money management tool? Everyone wants to know what the right answer to that question is? And really, there's no right answer, you have to do what feels appropriate for your family's needs, and what's in line with your values. But generally speaking, I feel like kids need to have the experience of managing money, so that they can make those choices of whether to save it, spend it, share it or invest it. And sometimes that means giving them an allowance. As they get older, they can obviously work starting off like babysitting, but eventually working to a job like in retail or something like that, so that they understand what it takes to actually earn money. But yeah, I think most parents expect their kids to help out around the house to do some chores to pull their weight. I mean, I think particularly during COVID, when everyone was home all the time, there was just that much more to do. I think everybody pitching in makes a big difference for the parents.

**Pat Bolland** 03:55

Yeah. When do you get them started in investing, for instance?

**Robin Taub** 03:59

Well, as I said, every age group tackles one of the big five pillars, so even as young as five to eight, you can talk about investing, but it's going to be at a much simpler, age appropriate level. So I talked about like the classic lemonade stand. And I still see kids in my neighborhood doing lemonade stands. It's so cute. It hasn't gotten old. So just to get them understanding, you know, the concept of investing in a business like what are the materials that you would need and you know how you have to sell it for more than what it costs that kind of thing?

**Pat Bolland** 04:34

Oh, okay, so not stock market or bond market investing?

**Robin Taub** 04:38

No, I don't think

**Pat Bolland** 04:39

Investing in their own future.

**Robin Taub** 04:40

No, yeah, exactly. Investing in your own future, maybe more of an entrepreneurship thing. But even like, by the preteen stage, you can start talking about interest, because once they're old enough to go from piggy bank to a youth account at a bank where they may or a paltry amount, but still some interest. You can talk about the power of compounding and then you know, as they get a bit older, you

can talk about a guaranteed investment certificate. So locking in your money for longer and earning a little more interest. And then eventually they, they may express curiosity or interest in stocks, everybody's talking about, you know, meme stocks. And there's a lot more awareness of stock market investing because of COVID. So sure, like, as soon as they're interested, usually they're a little bit older, teenagers and up when they're interested in the stock market.

**Pat Bolland** 05:30

We ... you bring up interest, and it's the whole concept of financial literacy and November is Financial Literacy Month. What... Why do you think financial literacy is not a priority in families? And it's certainly not, doesn't seem to be a priority in schools? It should be taught in schools. That's a big question. Sorry.

**Robin Taub** 05:50

Yeah. No, there's two parts of that question. It's something a lot of people wonder. So let's start with the school side, because that is one of the top questions I get from parents is why isn't financial literacy taught in school. And to their surprise, it really is being taught across the country. In every province and territory, there are several sources. Some are mandatory, some are electives. But in Ontario, for example, it's integrated into the curriculum from grades 4 to 12. There are also some standalone courses now. Grade 9 math has just been revamped to include financial literacy. And grade 10 careers also has a module on financial literacy, like budgeting after high school. So every province has something similar to what's going on in Ontario. So it really is being taught in school, I hope more parents are aware of that. And they can ask their kids what they're learning in school about money and try to build on that. And then in terms of parents prioritizing it. I think one of the biggest problems is that a lot of parents feel like - how can I teach my kids if I'm not good at this myself. So a lot of parents feel that they don't have the either the time or they don't have the knowledge to teach their kids. And a lot of them don't even know what information they need. So I think they know it's important, and especially if they've struggled, they want better for their kids. But sometimes they just don't know where to start or how to go about it.

**Pat Bolland** 07:23

Well, yeah, fair enough. And you can imagine, I only am just starting to figure out NFTs, non fungible tokens, you know, and not that long ago, it was Bitcoin that it took me forever to get a handle on, how do you begin that conversation? And how do you teach them if you really don't know anything? And you're supposed to.

**Robin Taub** 07:45

Well, it's funny that you brought those things up, because we were just talking about those types of assets. And I feel like with those things, as parents, that's when we need to go to our older kids, if you have kids in their like late teens or 20s, to ask them to explain it to you like how NFT's work and how crypto works, because I feel like these digital natives have a more instinctive understanding, but some of these newer digital type of products, like I know, my son, who's 26, He really seems to understand this, like especially cryptocurrencies and NFT's in a way that is, it's just easier for him. So he and I have been talking a lot about that stuff. You know, I agree those those things are more conceptual. And I don't know, I listen to a lot of podcasts and do a lot of my own, like homework and reading to make sure

I do understand those things. But I think even the basics for parents who are feeling like, oh, you know, I'm just my financial house isn't in order, it's really easy to just avoid the conversation because you're embarrassed, you know, you feel like I, your kids can call you out on that. So I try to encourage parents to use this as an opportunity to maybe get their own house in order so they can lead by example, and that maybe this is something they can learn along with their kids, because it's never too late to do things better.

**Pat Bolland** 09:09

No, absolutely true. What do you think has been the biggest challenge as far as financial literacy is concerned with the pandemic?

**Robin Taub** 09:17

Well, I think for a lot of families, the challenge was if they lost their job, or their business was, you know, had to close during the lockdowns. They didn't have emergency funds. I think those found things were very, very challenging for those families to get through those, you know, first few months, there was so much uncertainty about what kind of government assistance would be available. And I think kids can sense when there's financial concerns or stress in the house. So I think for a lot of families, that was really tough. You know, for other families, who were able to work from home and can and you know, made that transition fairly easily. It's been a, in some ways, like a good time financially, because people were spending less, we didn't have the opportunity to do a lot of the things we normally would - people were saving more and investing. So it's individual circumstances.

**Pat Bolland** 10:16

Yeah, and a lot of pressure, while at the same time, we'll point out that things like real estate prices in Vancouver and in Toronto, had been soaring. And I recently read an article where the average family, the parents will lend \$180,000 For some of their children to buy their first homes in the Vancouver area, for instance, that's a substantial amount, it's a huge amount of money overall, is it appropriate to lend your children money for their first house or even further education? Or is it better to let them kind of fend for themselves?

**Robin Taub** 10:55

Well, I think every family has to decide that question for themselves. And it will depend again, on their means and their values. I think for some families, let's say with education, if that's a strongly held value, that's something that's really important, then then, then they are going to prioritize that and they are going to probably want to help their kids with cost of university. And that decision starts early, right, because you can open an RESP, or Registered Education Savings Plan when your kids are born. And the earlier you do that, the more time you have to take advantage of compounding and growth. So that there's substantial funds in there by the time they do go to post secondary. So and then on the housing side, I also read in The Globe and Mail, Rob Carrick, for that, like billions changed hands from one generation to the next, during COVID to help out with the cost of housing. And again, I think that if parents can afford to help out that way and make that gift, I think it's fine, as long as you don't think it's going to derail your child's sense of purpose. And, you know, you don't want to give some hugely substantial gifts during their career building yours, because that can create dependency. So I want kids to be independent. But I think with housing prices the way they are a lot of families or parents are

helping with the downpayment, giving them a boost, I don't think they're paying their mortgages or buying their houses outright. But I think if you feel like your child has a good sense of purpose, they have established their career. You know, they have good financial literacy, knowledge and skills, and I think it can be appropriate.

**Pat Bolland** 12:37

I'm going to go to the other end of the spectrum as you and I get older, and both of us have children, is it realistic to expect them to help you as you age, or m, or anybody that gets into a senior position or or incapacitated?

**Robin Taub** 12:55

I've seen it. I've seen it a lot. And actually, I was having had a meeting yesterday, where we are talking about the children of immigrants who moved here. And then their children became professionals, dentists, lawyers, doctors, and very often the parents, the immigrants, were more blue collar laborers, or they had been professionals in their countries where they moved from. But then when they came here, they weren't qualified internationally. And they had to do these other jobs. And now their professional kids are expected to and willingly supporting their parents as they get older because of the sacrifices that they made to come to Canada so that their kids could have a better life. So, again, I really think it depends on your individual circumstances. But there was one study out of the US that showed that parents and grandparents, so this is sort of more like the first point you made, parents and grandparents were willing to help. I think like 50, no it was like 70%, were willing to offer financial assistance to family, even if it could jeopardize their own financial futures. So people are giving their kids money or helping them out with housing, even if it might affect their own retirement. Now, I don't know that that's always an appropriate decision, but it is happening.

**Pat Bolland** 14:16

Wow. Isn't that something? I want to go back to your pillars that you mentioned earlier? And one pillar that that stands out to me is you talk about sharing?

**Robin Taub** 14:25

Yes.

**Pat Bolland** 14:27

And obviously, you know, when it's a young child, you just say you got to share your candy at Halloween, or whatever it is that you're sharing. How do you do that when it gets to money?

**Robin Taub** 14:38

Well, even with little kids, they can share money because I remember when my kids were younger, like when they were six, seven, every Friday they would take like a loonie or toonie to school put it in this charity box that was in their classroom. It was just something that was done every Friday. And so they can understand the fact that other people, not everybody lives the way they do. And some people need help. And it's really important to give back. And you can expose even younger kids to things by doing family philanthropy projects. So for example, you can volunteer as a family at #Out of the Cold, which is these soup kitchens in Toronto that are sometimes run in churches. Yeah. Or, like my daughter, and I

went when she was in high school, we used to volunteer at #SoupSisters. And that was an organization that made soup for women and children living in shelters. So even giving their clothes that they've grown out of, or the toys that they've grown out of, to charity can reinforce a concept about the importance of sharing, giving back and goes back to that point about it helps put things in perspective, if they're starting to develop a bit of an attitude of entitlement, it will put things into perspective and remind them to be grateful for what they have.

**Pat Bolland** 16:05

Good points. Is it ever too late to get started? I mean, if you're got a 10 year old now, and you should have started at five, you know, when you pick up the ball, and ...

**Robin Taub** 16:16

yeah, no, no, it's never too late. But you ... That's just it, you pick up the ball at the stage that they're at now. So there's no point going back to what you would teach a young child ... a 10 year old, you're going to start at that preteen stage, and look at the five pillars of money and talk about things that are that are appropriate to what they're going through. And that would be maybe opening their first bank account using a debit card on their own. Or maybe they're babysitting and they're making little bit of money. Well, what are they going to do with that money? I mean, ideally, I tried to encourage parents to start early, so you can lay the foundation, and then build on it. But those five pillars never change. It's just the specific topics will get more sophisticated as your kids get older. And again, the idea was starting early as they can make mistakes when they're younger, and the stakes are low. You know, when the mistakes aren't expensive?

**Pat Bolland** 17:09

Yeah, true. Okay, now, crunch question, of course, you're going to write another book, the wisest investment is good for younger people, I suspect and up to whatever teenagers and university, but people need financial literacy at a much older age, I find ...

**Robin Taub** 17:26

I know, well, I don't know, for all your all your listeners who've ever written a book, you know, what an undertaking it is. It's a passion project. It's your blood, sweat and tears, you know, just giving birth to this one, honestly. And I do have to think of it as my third child ... was a lot. So I don't know, I'd like to think that if I was inspired again, you know, this is something I am really passionate about. And felt was so important. And I knew the need was there. So if I came across something else, where I felt like yeah, people really are struggling and need help. And I could help them I would love to write another book one day. But for now, I think this is this is my baby.

**Pat Bolland** 18:11

Well, congratulations on the upbringing of this young child, if you will.

**Robin Taub** 18:17

Thank you,

**Pat Bolland** 18:18

Robin, thank you so much for your time. Really appreciate it.

**Robin Taub** 18:21

My pleasure Pat. Thanks for having me on.

**Pat Bolland** 18:23

Robin Taub, the Wisest Investment: Teaching your Kids to be Responsible, Independent and Money-Smart for Life.