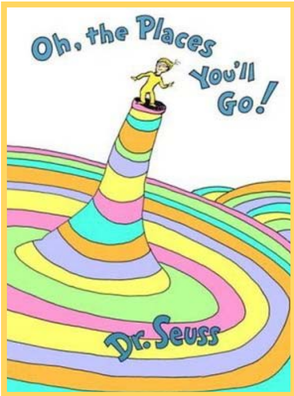
QUOTE OF THE WEEK



"Congratulations!
Today is your day.
You're off to Great
Places!
You're off and away!

You have brains in your
head.
You have feet in your
shoes.
You can steer yourself
in any direction you
choose.
You're on your own.
And you know what you know.
And YOU are the guy who'll decide where to go …

… You'll get mixed up, of course,
as you already know.

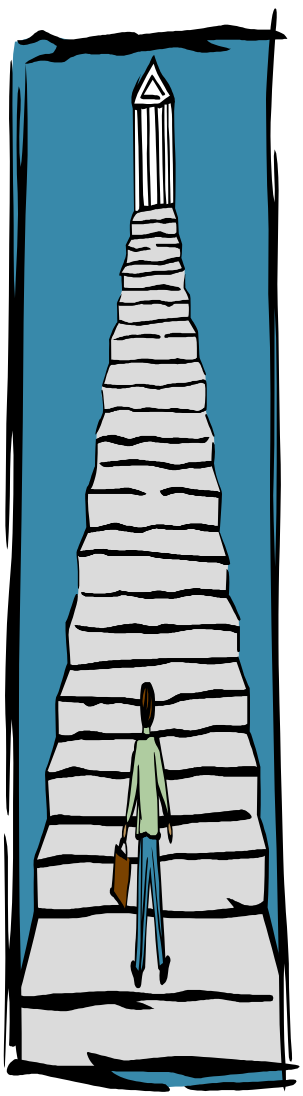
You'll get mixed up
with many strange birds as you go.
So be sure when you step.
Step with care and great tact
and remember that Life's
a Great Balancing Act.
Just never forget to be dexterous and deft.
And never mix up your right foot with your left.

And will you succeed?
Yes! You will, indeed!
(98 and 3/4 percent guaranteed) …

… Today is your day!
Your mountain is waiting.
So…get on your way!"

— excerpted from "Oh, the Places You'll Go!", Dr. Seuss, American Writer and Cartoonist, 1990

Facts & Figures — 15 Step Game Plan To Teaching Financial Responsibility



1. Give your children an allowance but make them accountable for it.
2. Insist on saving. Like brushing teeth, it shouldn't be an option.
3. Jobs are good. Shovel, cut, sweep, deliver ... it doesn't matter. In our opinion, no kid should reach high school without the experience of working.
4. Split savings into two piles. Half goes into an RESP fund and the other half goes into their own savings accounts. Saving up for purchases, or delaying gratification, is the single most valuable lesson you can teach a child.
5. Stop buying big ticket items for your kids right this very minute! Let them participate in saving up for the iPod or the Playstation. Big ticket items at 11 turn into bigger ticket items at 25.
6. Debit cards are a fact of life — don't fight them, instead focus on their proper use. Insist kids record all transactions and then reconcile them with the bank statement at the end of the month.
7. By adolescence, make sure your child has a clothing allowance. Giving them money quarterly for the basics (excluding coats, boots and shoes) is a good system.
8. Discuss with children the difference between wants and needs. Try this: When your children lust after something, offer to pay a percentage if they wait two months. Amazingly, the desire often disappears.
9. Involve the kids in family spending. Give each child some financial responsibility.
10. Start your children investing. Even Canada Savings Bonds, purchased inside an RESP, are a lesson in making your money grow.
11. Encourage parents and grandparents to cut back on the Christmas and birthday presents and deposit money in an RESP instead.
12. Reading statements in paper form or online with your kids will teach children the importance of that money management habit.
13. DO NOT BAIL THEM OUT. Financial bailouts that begin in adolescence translate into financial dependence later on.
14. Let your kids know early on that they will be participating in the funding of their education.
15. Consider a year or two of working before beginning post-secondary studies. A period of employment first teaches them a universe of valuable skills.

[Source: "Portfolio Doctor", David Cruise, *The Toronto Star,* November 12, 2006]

News

Teach your kids financial wisdom — Columnists David Cruise and Alison Griffiths offer a 15-step game plan — David Cruise, PORTFOLIO DOCTOR, *The Toronto Star*, Nov. 12, 2006.

Picture this. It's graduation day, relatives have assembled, pockets are well-prepped with hankies, the off-

Picture this. It's graduation day, relatives have assembled, pockets are well-prepped with hankies, the offspring are luminescent. A couple of hours and a bunch of speeches later, the kids are off and running. Our youth, released from years of post secondary study, fly from the nest and into the sunrise of promising careers and worthwhile lives...Now, picture this. Five years after the cap and gown were returned to storage, the shoulders of our children are bent and bowed. The tens of thousands they accumulated in student debt is growing, not shrinking, made worse by car loans and credit cards that never seem to get paid off. Home ownership drifts unattainably far off and Mom and Dad have been hit up again for a loan just to cover the basics. Can we change things? Can we set up our kids' lives and expectations to ensure they aren't crushed by debt before they are even 30 years old? We think so. Some realities are inescapable, such as the high cost of education, the inability of young people to earn enough during the summer to pay more than a fraction of the price tag and the low wages awaiting many of them upon graduation. But there are lots of steps we can take to ensure our offspring don't make student debt worse with poor money management skills.

Who gains, who loses as population shrinks – James Daw, *The Toronto Star*, November 16, 2006

If the trend to longer lives and fewer children continues, total population will decline in developed countries, other than the United States, starting by about 2042, some economists predict. These developments will have an unprecedented impact that ordinary citizens could hardly be expected to quantify or put into perspective. So, academics such as Dirk Krueger and Alexander Ludwig of Germany are doing their best to divine the possible impact on economies. What could happen to social programs, income levels and investment returns? The two academics recently offered a paper with the lilting title "On the Consequences of Demographic Change for Rates of Returns to Capital, and the Distribution of Wealth and Welfare." Their broad conclusions for the period up to 2080 are as follows:An aging population will result in a scarcity of labour. This will lead to relatively higher wages and a better life for those just coming into the world today.

T 416.955.9526
F 416.955.0815
THE COMPANY FOR EDUCATION COMMUNICATIONS INC.
66 George St., 3rd floor • Toronto, ON, Canada, M5A 4K8 • www.coedcomm.com • info@coedcomm.com