

FINANCIAL STRATEGIES FOR SINGLE PARENTS



A free publication provided by
Consolidated Credit Counseling Services of Canada, Inc.,
a registered charitable credit counselling
and debt management organization.

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CONSOLIDATED
CREDIT COUNSELING SERVICES OF CANADA, INC.
When debt is the problem, we are the solution.



Congratulations on taking this important step to a brighter financial future. Consolidated Credit Counseling Services of Canada, Inc. has been helping Canadians across the country solve their credit and debt problems for years.

Our Educational Team has created over twenty-five publications to help you improve your personal finances. By logging onto www.consolidatedcredit.ca you can access all of our publications free of charge. We have tools to help you become debt free, use your money wisely, plan for the future, and build wealth. The topics Consolidated Credit Counseling Services of Canada addresses range from identity theft to building a better credit rating; from how to buy a home to paying for university. On our website you will also find interactive tools that allow you to calculate your debt and see how much it is costing you.

We are dedicated to personal financial literacy and providing a debt-free life for Canadians. If you are overburdened by high interest rate credit card debt, then I invite you to speak with one of our trained counsellors free of charge by calling 1-800-656-4079 for free professional advice.

Sincerely,

Jeffrey Schwartz
Executive Director

Consolidated Credit Counseling Services of Canada, Inc.

Financial Strategies for Single Parents

The Facts: According to Statistics Canada, 16.9 per cent of all families in the Toronto area have one parent. (Statistics Canada uses the term "families" to mean couples who live together but don't have children as well as an adult or adults with at least one child.) Among those families with children, 24 per cent are headed by a single parent. Among the one-parent families in the Toronto region, 83.2 per cent are headed by women.

The Reality: Divorce is often hard on families, emotionally and financially. Not only do you face the end of your marriage, but you may face the end of your lifestyle as you once knew it. That may not be all bad, as it can give you the opportunity to start over. But it can be frustrating, expensive, and at times draining. We've worked with thousands of single parents through the years and we know the challenges they face. We've prepared this brochure to give you suggestions for coping with the financial realities of single parenthood.

Have a Plan: For most single parents, it's more important than ever to have a spending plan and to make sure you are setting aside money for emergency savings. While most people think of a budget as limiting and painful, it can actually be liberating to learn how to make the most of what you bring in. For a free guide to get you started visit www.ConsolidatedCredit.ca and download *Budgeting Made Easy*.

Let the Kids Help: Your divorce may have been a traumatic change for your family and you may want to shield your children from your problems. You may even want to

buy them things you can't afford, thinking it will make them (or you) feel better.

Keeping your finances in check and giving your children a chance to help the family financially will be much more productive in the long run. Depending on the ages and maturity levels of your children, you can find ways to allow them to participate in your family's budget planning. Whether it's something as simple as clipping coupons and helping to create a grocery list, to allowing an older child to get a part-time job to earn money, they may be more eager to help than you think.



It never hurts to give your child structure and responsibility. Giving them specific household chores to do and an allowance for their spending money can help you and them. See Consolidated Credit's free publication *Talking Money With Your Kids* for more ideas and guidelines.

Get A Handle on Debts: If you have debt that is difficult for you to pay, talk with Consolidated Credit Counseling Services of Canada, Inc. about a repayment plan with your creditors. We've helped thousands of parents across the country get back on track financially. Visit www.ConsolidatedCredit.ca or call 1-800-656-4079 for a free confidential consultation.

Check Your Credit: It's a good idea to check your credit report at least once a year, and more often if you are experiencing debt problems. Make sure the information about your individual and joint debts is accurate, and

dispute any mistakes. You'll learn more in Consolidated Credit's free booklets: *Repair Your Credit & All About Credit*.

Find Good Childcare: Many single parents find it difficult, if not impossible, to afford to stay at home with their children. In fact, many work not just one job, but two or more! Paying for childcare, whether it's full-time care for a young child, or after-school care for older ones, can quickly become very expensive. Here are some creative ways to handle this expense:

- **YMCAs** are Canada's largest provider of child care programs. Child care is open to all, with financial aid available. Programs range from infant care to on-site after school care. To find a YMCA near you, visit www.ymca.ca. Boys and Girls Clubs also offer inexpensive and free school programs in many communities. Visit www.bgccan.com.
- **Child care jobs.** A child in the 8-12 year old range may be able to volunteer or get a job as a "mother's helper" for a stay-at-home or work-at-home parent who would be glad for the break! This will ensure they are being cared for after school while learning valuable skills. Children 13 years or older may want to take a local Red Cross babysitting course and get an after-school babysitting job for younger children, or work as a counsellor in an after school program or daycare. They'll earn extra money and get valuable experience.
- **Sick Care:** Taking days off work to care for a sick child can be expensive for a single parent. It's important (but not always easy) to line up help for those emergencies. Find out if a sick-child daycare program is available in

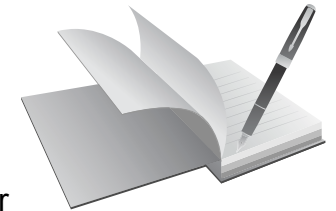
your community. Some hospitals, for example, offer this service and they are often staffed by nurses for added peace of mind. If not, you may want to talk with your local hospital and find out if there are any retired nurses in your community who may welcome the chance to take care of your kids and earn some extra income. If the program you need doesn't exist, see what you can do to help get one started.

- **Get free babysitting:** If you never have a moment to yourself, it may be time to trade with other single parents who would like a break as well. Starting a babysitting co-op to exchange babysitting with other single parents can be a sanity saver. Check out the book *Smart Mom's Baby-Sitting Co-Op Handbook: How We Solved the Baby-Sitter Puzzle* by Gary Myers for details on how to start a babysitting co-op.
- **Investigate flexible work hours:** Find out whether your employer offers flexible work hours, or will allow you to do some of your work from home. McLean's magazine publishes an annual list of the best employers in the country (which can often be great for working parents).
- **Ask!** Many daycares, summer camp programs, and after care programs offer scholarships or may be willing to extend discounts to parents who can't afford the full fee. You don't know until you ask. If there is a service you can provide in exchange for a discount (cleaning, publicity, typing, or maintenance are just a few examples), don't be shy about suggesting a trade.

Warning! *Be very careful about money-making propositions aimed at stay-at-home parents. While some of*

these home-based businesses may be legitimate, there are many scams as well. Remember, running a business requires time and energy (and often money). If you aren't willing to invest a substantial amount of both in a home-based business, stick with a job. Or at least keep the home business on the side until you have enough money coming in to make it worthwhile to leave your job.

Take Free Advice: If hiring a financial planner is out of reach right now, research local financial planning classes. Local community colleges, extension offices and women's resource centres may offer very inexpensive courses with expert instructors. You might also call Consolidated Credit to see where and when a financial literacy class is being offered to the public by our community outreach team.



Get the Best For Your Children: Don't be too embarrassed or afraid to seek out public assistance programs that can help you and your children through tough times. There's no question that navigating the maze of social services can be frustrating and difficult – and may seem overwhelming if you are trying to juggle work and parenthood. But it's also important to get the help you need. Jennifer Wolf's, guide for single parents (www.singleparents.about.com), recommends you keep a notebook recording everyone you've talked with at government agencies for assistance. She also recommends you ask before your appointments what kind of paperwork you will need to take with you and suggests you keep the following documents in a brightly coloured, large (9"x12") envelope (so you can always locate them):

- * Driver's license
- * Social insurance cards/number for each family member
- * Two or more recent utility bills
- * Recent paycheque stub
- * Bank account numbers
- * Legal papers (name change, protective orders, etc.)
- * References - names & phone numbers
- * Previous address information
- * Any other documents requested by the agency

Be polite but persistent, and ask for advice when you run into roadblocks. Above all, don't procrastinate. Many of these programs require you apply well in advance.

Planning for the Worst: It is vitally important that all parents, especially single parents who may be the main or sole provider for their children, have adequate life insurance, a will or estate plan, and guardianship documents. This is even more urgent if an ex-spouse represents a physical threat to you (but it's important nonetheless).

There are a number of ways to inexpensively prepare a will. You may be eligible for a discounted legal plan through your employer, and that may include preparation of a basic will. You may want to check out software programs that help you prepare your own will. Or you may want to talk with a couple of lawyers locally to find out what they charge. For good basic information on wills and estate plans, visit <https://www.canada.ca/en/services/finance/manage.html> and type "wills" into the search field.



While it's also important to appoint a guardian for your minor children if you die, this can be a sticky situation if

you are divorced. Generally, unless your ex agrees, you cannot appoint someone besides the child(ren)'s other parent as a guardian. The exception would be if you can show the other parent has legally abandoned your child(ren) or is truly unfit. If that may be the case, talk with your lawyer for advice when you prepare your will.

It is also a good idea to get life insurance to at least help cover the cost of caring for your children. Term life insurance may be available at an attractive rate through your employer, or you can use a local agent to help you find an inexpensive policy. If you truly can't afford it, you may want to talk with the person you'll appoint as guardian (if this applies) to see if they are able to purchase at least a small policy for their protection. If your insurance proceeds would go to your ex and you are worried about how he or she would handle the money talk with your lawyer about appointing a trustee to handle it.

Take Care of Yourself: It may feel selfish to take time for yourself, but you'll be a better parent if you give yourself a break once in a while. Look for single parent networking clubs in your area. If you can't find one, start one! In addition to emotional support, single parent clubs can offer referrals to helpful services, clothing and toy swaps for the kids, babysitting co-ops, and even house sharing arrangements. While it may take some work to get one up and running, the pay off may be well worth it.

Additional Resources:

Divorce & Money: *Divorce & Your Credit* - Consolidated Credit Publication

About.com Single Parents forum, at www.singleparents.about.com, offers extensive information and resources.

About Consolidated Credit Counseling Services of Canada, Inc.

Consolidated Credit Counseling Services of Canada is a consumer oriented, nonprofit, registered charity. We are an industry leader in providing credit counselling and debt management services. Our mission is to assist individuals and families in ending financial crises and to help them solve money management problems through education, motivation, and professional counselling. Our organization is funded primarily through voluntary contributions from participating creditors. Our programs are designed to save our clients money and liquidate debts at an excellent rate.

We are dedicated to empowering consumers through educational programs that will influence them to refrain from overspending and abusing credit cards, as well as to encourage them to save and invest. Regardless of whether your financial problems are due to the purchase of a new home, birth of a child, major illness, or any other circumstance, we can help.

* If you are headed for a debt disaster visit www.ConsolidatedCredit.ca or call 1-800-656-4079 for free professional advice by a trained counsellor.



Now you can find **FREEDOM FROM DEBT!**

Consolidated Credit Counseling Services of Canada, a registered charitable organization, will provide you with professional financial education, counselling and resources.

In addition, you can benefit from customized Debt Management Programs, which incorporate a bill consolidation plan to help you regain your financial freedom.

**Our professionally trained
Counsellors will negotiate
directly with your creditors to:**

- Reduce or even eliminate interest rates!
- Lower monthly payments.
- Eliminate over-limit fees.
- Consolidate debts into one lower payment.
- Help you pay off debt faster.
- Rebuild your credit rating.
- Save you thousands of dollars.
- Get you on a plan to be debt free!



Call today, and take your first step toward financial freedom!

1-800-656-4079
or visit www.ConsolidatedCredit.ca

You can be
**debt
free**



There is help waiting for you now.

- Reduce or eliminate interest charges.
- Consolidate credit card bills into one lower monthly payment.
- Pay off your debt in half the time.
- Save thousands of dollars.



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