

Lise Andreana, CFP

No More Maç 'n' Cheese!

The Real-World Guide to
Managing Your Money for
20-Somethings

Self-Counsel Press

(a division of)

International Self-Counsel Press Ltd.

USA Canada

Copyright © 2011 by International Self-Counsel Press Ltd.

All rights reserved.

No part of this book may be reproduced or transmitted in any form by any means — graphic, electronic, or mechanical — without permission in writing from the publisher, except by a reviewer who may quote brief passages in a review.

Self-Counsel Press acknowledges the financial support of the Government of Canada through the Canada Book Fund (CBF) for our publishing activities.

Printed in Canada.

First edition: 2011

Library and Archives Canada Cataloguing in Publication

Andreana, Lise

No more mac 'n cheese!: the real-world guide to managing your money for 20-somethings / Lise Andreana.

ISBN 978-1-77040-090-0

1. Young adults — Finance, Personal. 2. Finance, Personal. I. Title.

HG179.A63 2011

332.0240084'2

C2011-904550-8

Every effort has been made to obtain permission for quoted material. If there is an omission or error, the author and publisher would be grateful to be so informed.

Self-Counsel Press

(a division of)

International Self-Counsel Press Ltd.

Bellingham, WA
USA

North Vancouver, BC
Canada



Contents

| | |
|--|------|
| Introduction | xiii |
| 1 The Difference in Finances between the Baby Boomers and Gen Y | 1 |
| 1. The Evolution of Personal Finances | 1 |
| 2 Give Your Parents the “Money Talk” | 5 |
| 1. Topics to Discuss with Your Parents | 6 |
| 1.1 Values | 6 |
| 1.2 Education | 7 |
| 1.3 Returning to the family home after graduation | 7 |
| 3 Steps for Students | 11 |
| 1. Course Selection Leading to Success | 11 |
| 2. Part-Time Work and the Student | 14 |
| 3. Volunteer Work | 16 |
| 4 From School to Workplace | 19 |
| 1. What Employers Want from You | 19 |
| 2. Decide What You Want from the Employer | 21 |
| 5 From Your Parents’ Basement to Your First Apartment | 25 |
| 1. Begin with a Savings Plan | 26 |
| 2. Selecting an Apartment | 28 |

| | | |
|----------|--|----|
| 6 | Set Goals | 31 |
| | 1. Set Your Goals | 32 |
| | 1.1 Step 1: Visualization | 32 |
| | 1.2 Step 2: Goals, Position, and Strategy (GPS) | 35 |
| | 1.3 Step 3: Dangers, Opportunities, and Strengths (DOS) | 37 |
| | 1.4 Step 4: Treasure it, recycle it, trash it | 37 |
| | 2. Examples of Goal Setting | 38 |
| 7 | Create a Budget | 47 |
| | 1. Needs and Wants | 47 |
| | 1.1 Control your spending | 48 |
| | 2. Budgeting to Live within Your Means | 50 |
| | 2.1 The lifestyle your income will support | 50 |
| | 2.1a A simple life | 50 |
| | 2.1b A simple comfortable life | 51 |
| | 2.1c Above average | 51 |
| | 2.1d Luxury | 52 |
| | 2.1e Prestige | 52 |
| | 2.2 Create and follow a budget | 53 |
| | 2.3 Typical budget | 56 |
| | 2.3a Financial obligations | 56 |
| | 2.3b Needs | 57 |
| | 2.3c Wants | 58 |
| | 3. Seize Savings Opportunities | 62 |
| | 4. Examples of Financial Lifestyles | 62 |
| | 4.1 Cassie's financial life plan | 63 |
| | 4.2 Matt's financial life plan | 65 |
| | 4.3 Sam's financial life plan | 67 |
| 8 | Calculate Your Net Worth | 71 |
| | 1. Examples of Net Worth | 71 |
| | 2. Your Most Valuable Asset | 73 |
| | 3. Calculating Your Net Worth | 76 |

| | | |
|-----------|---|-----|
| 9 | Create a Safety Net: Insurance | 79 |
| | 1. Consider What You Should Insure | 80 |
| | 1.1 Prioritize your insurance purchases | 80 |
| | 1.1a Vehicle insurance | 80 |
| | 1.1b Disability insurance | 81 |
| | 1.1c Life insurance | 82 |
| | 1.1d Health insurance | 82 |
| | 1.1e Property insurance | 83 |
| | 1.1f Critical illness insurance | 83 |
| | 1.1g Travel insurance | 83 |
| | 1.1h Other insurance | 84 |
| | 2. Learn by Example | 84 |
| | 3. A Typical Employer's Benefit Plan | 87 |
| | 4. Tips for Choosing an Insurance Provider | 88 |
| | 4.1 Life and health insurance advisor | 89 |
| | 4.2 Property insurance advisor | 90 |
| 10 | Debt | 91 |
| | 1. The Difference between Good Debt and Bad Debt | 92 |
| | 2. Understand What Your Lender Is Saying | 93 |
| | 3. Helpful Credit Tips | 93 |
| | 4. What to Do When Things Go Wrong | 95 |
| 11 | Saving and Investing | 99 |
| | 1. The Four Principles for Building Your Foundation of Wealth | 100 |
| | 1.1 Debt control | 100 |
| | 1.2 Delayed gratification | 101 |
| | 1.3 Diversification | 102 |
| | 1.4 Dollar cost averaging | 102 |
| | 2. Priorities for Your Savings and Investments | 102 |
| | 2.1 Priority 1: Emergency fund | 103 |
| | 2.2 Priority 2: Where you should invest your savings for mid-term goals | 104 |

| | |
|---|-----|
| 2.3 Priority 3: Investing for long-term goals | 104 |
| 3. Talk to a Financial Planner | 106 |
| 4. Know Your Money Style and Avoid the Pitfalls | 107 |
| 12 Get Financial Help | 111 |
| 1. Do-It-Yourself and Group Learning | 111 |
| 2. Hiring an Advisor | 112 |
| 2.1 Selecting an advisor who can meet your needs | 113 |
| 2.2 Choosing your financial advisor | 117 |
| 3. Review Your Financial Plan Annually | 119 |
| 13 Buying a Vehicle | 121 |
| 1. Do Your Research before Buying a Vehicle | 122 |
| 2. Should You Buy a New or Used Vehicle? | 123 |
| 3. Should You Buy or Lease? | 123 |
| 3.1 Buying | 124 |
| 3.2 Leasing | 125 |
| 14 Buying a Home | 129 |
| 1. Terms You'll Need to Know | 130 |
| 2. Types of Housing | 132 |
| 2.1 Single-family home | 132 |
| 2.2 Townhouse | 133 |
| 2.3 Condominium | 133 |
| 3. Borrowing to Buy Your New Home | 133 |
| 4. The Importance of Location | 136 |
| 5. Get What You Want without Overpaying | 137 |
| 15 Tips for Couples | 143 |
| 1. How to Reconcile Your Money Management Differences | 145 |
| 2. Solutions for Who Pays for What | 146 |
| 2.1 Pool all the money into one account | 147 |
| 2.2 Equal contribution | 147 |
| 2.3 Contribute a proportional percentage of earnings | 148 |
| 2.4 Keep separate accounts | 148 |

| | |
|---|-----|
| 3. Planning for Happiness While Protecting Yourself | 149 |
| 4. Getting Married | 150 |
| 4.1 Talk to your parents | 151 |
| Conclusion | 153 |
| Samples | |
| 1 Differences between the Baby Boomers and Generation Y | 4 |
| 2 Comparing a Job with Benefits versus a Job without Benefits | 23 |
| 3 Cassie's Cash Flow Statement | 27 |
| 4 Cassie's Net Worth | 28 |
| 5 Setting Goals | 32 |
| 6 Matt's GPS Exercise | 40 |
| 7 Matt's DOS Analysis | 41 |
| 8 Matt's Treasure It, Recycle It, Trash It Exercise | 42 |
| 9 Sam's GPS Exercise | 45 |
| 10 Sam's DOS Analysis | 46 |
| 11 Matt's Net Worth | 72 |
| 12 Cassie's Net Worth Projection | 73 |
| 13 Cassie's Lifetime Income Potential | 74 |
| 14 Matt's Lifetime Income Potential | 75 |
| 15 Sam's Lifetime Income Potential | 75 |
| 16 Mortgage Comparison | 134 |
| Exercises | |
| 1 Visualization | 34 |
| 2 Goals, Position, and Strategy (GPS) | 36 |
| 3 Dangers, Opportunities, and Strengths (DOS) Analysis | 38 |
| 4 Treasure It, Recycle It, Trash It | 39 |
| 5 Cash Flow Statement: Income | 54 |
| 6 Cash Flow Statement: Expenses | 55 |
| 7 Simple Lifestyle Budget | 59 |

| | | |
|----|--|-----|
| 8 | Simple Comfortable Lifestyle Budget | 60 |
| 9 | Above Average Lifestyle Budget | 61 |
| 10 | Calculating Your Net Worth | 78 |
| 11 | Questions to Ask a Potential Financial Advisor | 119 |
| 12 | Steps for Purchasing Your First Home | 139 |

Quizzes

| | | |
|---|--|-----|
| 1 | What Is Your Latte Score? | 49 |
| 2 | What Type of Investor Are You? | 108 |
| 3 | What Type of Financial Advisor Suits Your Needs? | 115 |
| 4 | Should You Buy or Lease a Vehicle? | 127 |



Notice to Readers

Laws are constantly changing. Every effort is made to keep this publication as current as possible. However, the author, the publisher, and the vendor of this book make no representations or warranties regarding the outcome or the use to which the information in this book is put and are not assuming any liability for any claims, losses, or damages arising out of the use of this book. The reader should not rely on the author or the publisher of this book for any professional advice. Please be sure that you have the most recent edition.

Note: The fees quoted in this book are correct at the date of publication. However, fees are subject to change without notice. For current fees, please check with the court registry or appropriate government office nearest you.

Prices, commissions, fees, and other costs mentioned in the text or shown in samples in this book probably do not reflect real costs where you live. Inflation and other factors, including geography, can cause the costs you might encounter to be much higher or even much lower than those we show. The dollar amounts shown are simply intended as representative examples.



Dedication

Thank you Dad, for you never told me what to do; you simply lived your life. You turned 95 years old the week this book was submitted. Watching you I learned how to wait until tomorrow for a better today; defend the underdog; that good manners are nothing more than a series of petty sacrifices; and a penny saved today has the power to fund an entire lifetime, maybe even that of our children.

With nothing more than a grade school education, you served your country in WWII, turned the \$2,000 land grant from Veterans Affairs into a \$150,000 investment, married, and raised ten children — all of whom have the benefit of a postsecondary education. You continue to live in your own home. You are loved by all of us and Mother, the woman who has stood by your side for more than 60 years. I am indebted to you.

Thank you for inspiring my life and the stories within these pages.

Clarence B. Kelland said it best: “He didn’t tell me how to live; he lived, and let me watch him do it.”



Acknowledgments

If you had asked me five years ago, I would have said the last thing I expected to do in my lifetime was write a book. With a flourishing career as a financial planner, there was little time to think about reaching out to the public. The fact that I can now add author to my CV is the result of the support and help of many.

To my patient and loving husband, Gerry Kowalchuk, whose retirement plans do not include me working at my computer for a large part of each day. His contribution to Chapter 14, “Buying a Home,” was invaluable. His 40+ years working in the real estate sector made him a natural on the topic. Gerry, you are the love of my life, and I am indebted to you for so many reasons. Thank you.

Thanks to Lois Richardson who went out of her way to ensure my name and ideas came to the attention of Eileen Velthuis, Managing Editor, at Self-Counsel Press. Eileen, thank you for giving me the chance to bring my ideas on financial planning to a wider audience. Thanks to Tanya Lee Howe who edited the reams of rough data and raw ideas I supplied — you edited my ugly duckling of a manuscript into a book I can be proud of.

Thanks to my friends and family for letting me pick your brains for ideas, and for taking the time and interest to add your ideas to improve upon the final product.



Introduction

"Money is only a tool. It will take you wherever you wish, but it will not replace you as the driver."

Ayn Rand

- * Read this book if you arrive home to find a FOR SALE sign on the lawn and your parents gleefully tell you they have decided to downsize to a condo and have listed the contents of your bedroom on Kijiji!
- * Read this book if you are a high achiever between the ages of 17 and 29 and are looking for solid tips to secure your future happiness and financial well-being.

If you are a young adult who has recently left home, or is considering leaving the family home, this book is for you. This book is designed to help you make smart decisions with money now and through the next decade. In the next few days, months, and years, you will be making financial decisions that will define your future relationship with money. Whether you decide to go it alone or choose a life partner, this is the decade which will take you from the family basement into your first apartment, when you'll establish a career, balance a budget, set short-term to midterm financial goals, purchase a vehicle, and perhaps even buy your first home.

This book will help you plan your postsecondary education, begin a career, move from the family home, and find a financial coach to help you along the way. You will learn to set goals for the next decade, create an inventory of your assets and skills, and place a value

on your career and the hidden benefits that can put thousands of dollars in your pocket. You will learn to build a budget, show your money who is boss, learn the difference between smart debt and dumb debt, and find tips for investing your savings. You will also receive tips for making your first real estate investment.

It is my observation that even a very small financial success at this stage of your life can multiply into solid financial security in the future. Did you know that just \$100 a month in savings could grow to \$56,251¹ over the next 20 years? What would you do with \$56,000? If you wanted to make a down payment on a home in year ten, how much would your savings be worth? \$19,854!

Note that mistakes made at this stage can take years to reverse. Debt incurred now to buy those new jeans or the latest video game can stay on your credit card for years in the form of outrageously high interest rate charges. Let's say you buy those jeans on your credit card for \$60 and only pay the interest for the next 20 years: Your jeans will cost you in excess of \$325!

This book is designed to help you make the smart choice each and every time. The chapters are laid out so you can read the book from cover to cover, or you can pick and choose the topics of interest to you on any given day. Feel free to jump ahead to the topic which interests you the most.

Having a financial plan allows you to be strategic. Financial planning is a systematic methodology for making decisions which bring you closer to your goals. Your goals will be unique to you; the methodology for achieving your goals, however, has been well developed over time.

There are three simple steps you can take right now to help you secure the future happiness and the financial security you want:

1. Read this book.
2. Use the enclosed exercises to develop a strategy for achieving your goals — then implement your unique strategy.
3. Review your goals and the progress you have made often to ensure you are on track. Revise your goals and actions as required.

I wish you the best of luck as you set out on the road to financial success!

¹ Assuming 7 percent rate of return



CHAPTER ONE

The Difference in Finances between the Baby Boomers and Gen Y

- * Read this if you are tired of hearing complaints about *your generation's ability to grow up.*
- * Read this if you wonder what the difference is between *your parent's generation and yours.*

Things are different today, and as a young adult, you may be starting your financial life plan later than your parents did. Many in your generation have delayed adulthood by five to seven years, compared to your parents' generation. The advantage for your generation is that you are better educated and often have the financial support of your families as you enter your career years. By carefully selecting educational goals, following a prudent course of action, avoiding debt where possible, and making a wise career choice, you will be well on your way to financial security.

1. The Evolution of Personal Finances

There appears to be a growing trend for young adults to stay in the family home longer and to return several times before finally

launching on their own. How will delayed adulthood affect a person's future financial well-being?

As a financial advisor for the past 15 years, I have helped more than 1,200 clients. During that time I have had the privilege to work with retirees raised during the 1930s and 1940s, professional Boomers born during the 1950s and 1960s, and young professionals born during the 1970s and 1980s.

It has become clear to me that each year, today's "new young adult" seems to be farther and farther removed from the common-sense, prudent money principles exercised by clients who grew up during earlier and simpler times ranging from 1940 to 1965. Why is it that clients who raised families in a single-paycheck environment, earned less, had fewer resources, and were less educated, managed to pay off debt while still in their 40s? They saved more, spent prudently, and lived within their means to achieve financial well-being in time to retire. What has changed?

For those of you born after 1985, your parents are "ancient history." As far as you are concerned, they might as well be talking about the Big Bang theory! A little history lesson may be in order since much of the information we hold to be true about financial security, creating wealth, and retirement planning is based on the baby boom generation. Bear with me; upon examination you will find out why the rules that worked for the Boomer generation will not work for you. The following example gives an insight into why there is a difference between the generations' financial management.

Cassie has just turned 25 and will graduate next spring from her local university, with a major in journalism. She has been listening to her parents go on and on about how it was when they were growing up in the 1960s and 1970s. They tell her, "By the time we had reached the age of 25 we had already married and bought our first home."

Cassie is beginning to feel like a failure for being so far behind. Like many young adults, she still lives at home with her parents, has \$20,000 in student debt like so many students¹, has yet to land a full-time job, and is a long way from finding the person she wants to marry. Rather than get into an argument, Cassie decides to use her newly learned interviewing skills to get her parents to talk about the "good old days." This way she will be able to compare their experiences as young adults to her own.

Here is what Cassie discovers. Her parents, Francesca and Cano, came from working-class backgrounds. Cassie's grandparents did not have the resources to

¹ The Financial Consumer Agency of Canada, "Youth Financial Literacy Study," www.fcac-acfc.gc.ca/eng/resources, (2008), accessed June 2011.

help fund their children's postsecondary education and, at that time, student loans were a relatively new thing. Cano and Francesca were high school sweethearts.

Upon graduating from high school at the beginning of the 1980s, and with no hope of going to university, Cano, who wished he could become an architect, became a plumber apprentice instead. Becoming an architect would have meant many more years of school with no money to pay for his education. Francesca went to teachers' college. Soon they were both working. Their employers provided benefits and pensions. Francesca and Cano may not *love* their work, but they are satisfied that their future offers financial security and they expect to retire at age 65 after 40 years of work.

A year after graduating from their programs, they had a big wedding. Cano and Francesca's parents hosted the wedding, the bride's parents paid for the reception, and the groom's family provided a cash gift of \$1,000. The bridal shower provided the needs of the home from kitchen to bed and bath. Cash was also a popular wedding gift. The wedding provided Cano and Francesca with most of their household needs and a total of \$2,000 in cash.

Soon after the wedding, Cano and Francesca found a home. Using the \$2,000 savings from their wedding and adding another \$5,000 they managed to save on their own, they were able to qualify for a mortgage on their dream home, a semi-detached dwelling in the suburbs.

Cassie and her parents feel good about their conversation. Francesca and Cano are sentimental and love talking about their life together. They are pleased Cassie is interested in understanding the sacrifices they made for the betterment of their family. Cassie now understands her parents sacrificed the education and the careers they would have preferred to enable them to marry and have a family, respectful of the social mores of the day.

Let's compare the lives of Cassie and that of her parents at age 25:

- Cano and Francesca at age 25 are newly married and both have new careers, an apartment full of new furniture, no debt, and a nest egg of \$7,000 to help them make their first home purchase.
- Cassie, at age 25, is living in the family basement and is starting her career with a \$20,000 debt.

She compares her \$20,000 debt at age 25 with how her parents began with \$7,000 in savings at age 25. Cano and Francesca married in 1985 so Cassie adjusts their age 25 starting point for inflation. The \$7,000² start is equivalent to \$14,000 today! That represents a \$34,000 difference in net worth at age 25.

² Bureau of Labor Statistics, "Consumer Price Index," www.bls.gov/cpi, (2011), accessed June 2011.

Cassie has a good education in a field of her choosing. She has a promising future career which she expects will be personally fulfilling. Cassie and her peers have more choices, easy access to student loans, and credit cards.

Many young adults of today are better educated than their parents. Education takes time; this means that today's young adult is entering the job market later in life and more often is graduating with student loans and credit card debt.

Today's young adults are reluctant to accept a work environment in which they do not feel fulfilled. This is in stark contrast to their parents' generation who made career and financial sacrifices in their early years in order to have an easier life later. This generation of young adults is less prepared to make sacrifices and save a portion of today's income for a better life tomorrow. Is it any wonder today's graduating students are reluctant to leave the family home? Similar to Cassie, today's youth are starting from a negative position. Financial life planning for those born after 1985 will be dramatically different than it has been for earlier generations.

Sample 1 shows you a simplified chart of the differences between the Boomers and Generation Y.

SAMPLE 1

Differences between the Baby Boomers and Generation Y

| Age | Cassie's Parents | Cassie |
|-----------------------------|--|---|
| Born | Baby boomer: 1945 to 1964 | Generation Y: 1985 to 1995 |
| Age 18 | Complete high school; select few go to college or university | Complete high school; apply for college or university |
| Age 19 | Enter workforce | Enter university with easy access to student loans |
| Age 21 | Traditional wedding | Still in university |
| Ages 22 to 25 | Purchase first home in the suburbs | Complete university with substantial debt |
| NET WORTH Age 25 | Adjusted for inflation +\$14,000 (approximately) | -\$20,000.00 |

My question to you is: How can you take advantage of your unique situation and give yourself a quick start to the next decade? If you follow the steps outlined in the subsequent chapters, you will be off to a good start.



CHAPTER TWO

Give Your Parents the “Money Talk”

- * Read this if you are a student and you want to know how much help you can expect from your parents.
- * Read this if you have recently graduated and you want to live at home while looking for a job and/or starting your career.

Regardless of whether you are living in the family home or have already moved to a place on your own, I strongly recommend you have the “money talk” with your parents. Fashions and social mores may have changed, but what has not changed is parents’ love for their children and their desire to see them off to a good start as they begin life’s journey.

All parents have expectations for their children. Sometimes these expectations are heard loud and clear. At other times it seems like expectations are secret until one of you experiences disappointment with the other. It is best to have an open dialogue with your parents about the expectations you have of each other. During this dialogue you may find that your expectations of each other are similar or you may discover that your ideas do *not* coincide. That said, this is important information for each of you to know in advance.

The purpose of this conversation is to gain a clear understanding of what you can and should expect from your parents. While it is your parents' responsibility to raise children to become self-sufficient adults, this does *not* mean giving in to your every wish. Thus, you must recognize your parents also need to be planning for their own retirement — unless of course you would prefer to support them in their old age! Be respectful and let your parents know how grateful you are to them for all the support they have given and are willing to provide you.

If you and your parents are able to have an open dialogue on these topics, I believe all of you will gain greater insight into the values which are important to each of you. What values do you share? In which ways are you different? You will also have a good idea of the amount of financial support you can expect while you're a student and after graduation. Knowing what to expect from your parents will help you develop a strategy for meeting your educational and career goals. The rest will be up to you.

1. Topics to Discuss with Your Parents

The following topics are intended to serve as a guide. You may wish to add some of your own. Begin with the questions you feel most comfortable asking. Similar to Cassie's example in Chapter 1, you may wish to begin by asking your parents about their own early years and the values they believe led to their success.

1.1 Values

Each family is guided by the values in which they believe. You might call it the moral compass for what is right and wrong, good and evil, and smart or foolish. Families may not often speak of their values, yet family values drive decision making. A lively discussion can be had by talking to your parents about your family's values. A greater understanding of family values will assist you in developing your own personal value system. The following are some samples to begin your discussion:

- **Ethical values:** Honesty, justice, trust, and fairness
- **Personal values:** Modesty, gratitude, loyalty and faithfulness, diligence, and perseverance
- **Relationships:** The importance of family, friends, and colleagues at work, church, and community

- **Emotional values:** Compassion, kindness, and generosity
- **Health:** Good health, physical fitness, relaxation, regular medical and dental care, protecting one's good health, longevity, and care of the ill or disabled

1.2 Education

Many parents, given the financial means, are prepared to assist their children in the quest for higher education. Parental values and financial abilities may differ. Some parents are prepared to pay for their child's education while others believe their children will benefit by contributing to the cost; and some are ill-prepared to assist their children in any capacity.

Asking the following questions of your parents will provide you with important information as you choose your educational path:

- Is it important to you that I achieve a college diploma? University degree? Beyond? Why?
- Do you have the resources to help pay for my education?
- Can I expect your support while I am completing my post-secondary education? To what extent?
- If you can help me financially, how much can you contribute?
- Can I live at home while going to school or would it be better if I lived on campus?
- Will I have access to transportation (e.g., a vehicle or help with paying for a bus pass)?
- Am I expected to pay my own way by using scholarships, applying for student loans, and/or getting part-time work?

1.3 Returning to the family home after graduation

What can you expect of your parents once you have graduated, assuming you wish to live in the family home until you are employed? Is it necessary for me to mention that you are now an adult and as such you cannot expect a free ride? For example, many parents are agreeable to adult children living with them while in school or while looking for a job. These same parents may not look kindly upon children planning to live at home while lazing around all day playing

video games and entertaining friends. For many parents this would, rightfully, be the deal breaker.

Maintaining a home costs your parents money. What are the monthly expenses for maintaining the family home? Think about the cost of a mortgage, utilities, food, and the use of a car. Discuss this with your parents; you may be surprised at their answers. Now consider how much you can afford to contribute as your fair portion. Be grateful for your parents' support and remember, it is your parents' home, and as an adult, you are a guest. As such, you should be prepared to contribute something and abide by your parents' values.

Before moving back in with your parents it is a good idea to ask them the following questions:

- How long am I welcome in the family home after graduation (e.g., one year, two years, longer)?
- What can I do to contribute to the household while living in the family home (e.g., chores, purchase groceries, pay bills)?
- How much rent can I afford to pay? How much rent do you want me to pay?
- Do you plan to assist me when I move out of the house? *The ability and willingness to help varies among parents. Some are prepared to help financially (e.g., a contribution to the security deposit for the new apartment), while others will give their children home-cooked meals, old furniture, and anything else to see them off to a good start.*
- What are the house rules while I am living with you? *The house rules will more than likely be different than when you were a teenager and in high school. New rules for privacy, lifestyles, and housekeeping may be implemented.*

Your parents may be so happy to see you launched into the big, wide world they will give you kitchen items, furniture, TVs, and computers that have been collecting dust in the basement. Accept all gifts gratefully, even if you end up re-gifting the items later on. Consider the money saved by not having to purchase everything at once.

Let's reflect on Cassie's situation again. Cassie asks the questions above and is very surprised by what she learns. She discovers that her parents have very definite ideas about her future, some of which they have been planning for many years.

Since her parents did not have the luxury to complete university, having Cassie complete university was very important to Cano and Francesca. They are very proud of her accomplishment.

Francesca and Cano are happy to have Cassie stay in the family home while she searches for a full-time position. Cassie tells them it may take her up to six months to secure a full-time job.

Cassie asks herself, "What if after three months of searching for my dream job I am unable to secure a position?" After three months of looking she is prepared to accept an entry level position with a major industry employer, just to get in the door. Not only are her parents happy to help, they worry about her student debt and realize Cassie will need to save for her first and last month's rent. She will also need an emergency fund. Cassie and her parents agree that she is welcome in the family home for up to a year after she is employed, on the condition that she uses this time to reduce her debt and start a savings program. Cassie will be expected to help with the household chores and do the yard work while she is in their home.

Cassie is feeling a lot better about her future. She is very much aware of her parents' love and grateful for their support. With her parents' help she will have a solid start to becoming self-reliant.