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**HEEBONICS**

# Personal finance guide born from a once-lavish lifestyle

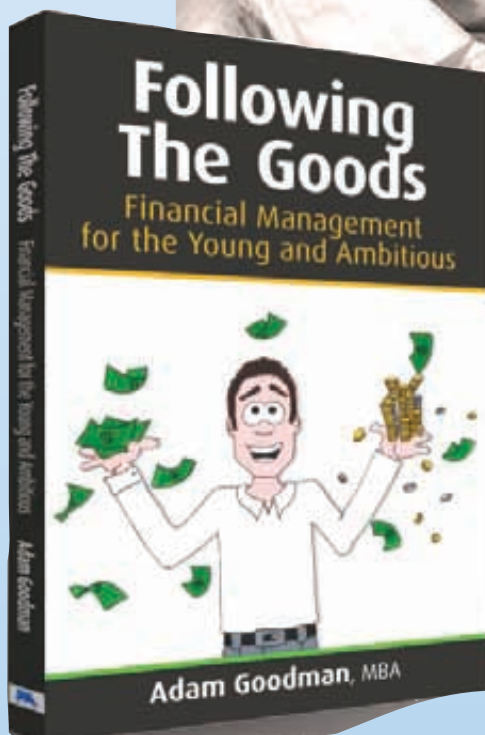
By **SHERI SHEFA**  
Staff Reporter

**“I**t has taken me 28 years to learn the value of a dollar,” wrote Adam Goodman in his personal finance guide, *Following the Goods: Financial Management for the Young and Ambitious*, which he hopes will help students and young professionals learn from his money-managing mistakes.

“When I think of all the money I’ve wasted, I finally realize that if I had done things differently, I probably wouldn’t be living in my mom’s basement right now, asking my parents to help me lease a car.”

The 29-year-old Schulich School of Business graduate, who grew up in the affluent suburb of Thornhill and currently works in the telecommunications industry, said he got the idea for the book, which is self-published, when he realized that although he had been

**Adam Goodman**



working since he was 15, he never saved a penny.

“I met a friend at school who had managed to save more than \$50,000, and at the same time, I had managed to save nothing,” Goodman recalled.

He said learning about financial management wasn’t part of the curriculum when he was growing up, and he didn’t have regular conversations about money with his parents.

“It is kind of ironic that both my parents are involved in the financial services in one way or another, but they never actually sat me down and had an in-depth conversation with me. Everyone just thought I would pick it up.”

He said that since he started working as a teen, his cash flow was never an issue.

“I was always making good money doing whatever I was doing, whether it was in the dot-com boom days or before that in high school working part time.”

He said when he was 19, working at the tail end of the dot-com boom, he was making more than \$100,000 a year.

“But I didn’t have a concept of saving because my parents weren’t looking into my bank account and they never saw whether I had money or not.”

Goodman said he would blow his money on clothes, expensive dinners and electronics.

“I made a lot of silly decisions. Probably one of the worst is that I owned a car for only three months.”

He said he bought a sports car, a Honda Prelude, and within three months, he traded it in for a Ford Explorer.

“I rolled the loss I took on [the Prelude] into another car loan.”

He said that although he was able to complete an undergraduate program debt free, he didn’t manage to save any money, and he was forced to rack up a \$60,000 debt taking loans for graduate school.

A meeting with a fellow grad student, one who was two years younger than he was and yet still managed to save \$50,000, inspired him to educate himself about financial management by reading books and speaking to professionals.

“I’d say the most valuable lesson I’ve learned is that there is no such thing as a silly question... Some of the reasons why I didn’t start making proper financial decisions and start thinking about it was because I was scared of asking why.

I was scared of finding out the answer,” Goodman said.

He decided to share his newfound wisdom with other young adults through his book, which offers advice about personal financial management through his life experiences.

Although Canadians are suffering through a recession right now for the unforeseeable future, the advice he would give today is that exact same advice he would give two years ago.

“Create a budget and stick with it. No matter what you do, you have to have a budget because... it will help you allocate your money to help you save, so that you’re not spending 100 per cent or 150 per cent of what you make,” Goodman said.

“Even if you’re buying a Starbucks [coffee] a day for example, it is important to include that in your budget, because it could add up to more than \$500 for the year.”

He said it is important to start saving early and as soon as possible.

“Regardless of whether you are eight years old, 20 years old or 45 years old, if you haven’t started saving, start now because the sooner you start saving, the more it will grow.”

Another important tip, Goodman said, is to pay yourself first before you pay your creditors.

“Just make sure that you pay yourself 10 per cent of what you make and put that into savings,” he said, adding that it doesn’t matter whether the 10 per cent goes into a savings account or an RRSP.

“If you don’t pay yourself now, you never will.”

An excerpt from Goodman’s book reveals that as of this year, the Canadian government implemented the Tax-Free Savings Account (TFSA).

“This is a new type of savings vehicle which will help individuals who contribute to the TFSA grow their savings tax-free throughout the lifetime of

the account. The TFSA is not meant to replace the RRSP, but rather to complement it. The RRSP is meant to help you plan for retirement, while the TFSA is designed to help you plan for life’s big purchases.”

It is also important for people to set financial goals for themselves, Goodman said.

“Let’s say you’re 19 years old and you’re graduating from school in one or two years, and you think, ‘I want to buy a house one day.’ You have to start planning for it. You need a down payment.”

Regardless of whether you put five per cent or 25 per cent down on a house, it’ll still be in the tens of thousands of dollars, he added.

Parents can also help their children start on a road to a healthy financial future by starting a conversation with their kids at an early age.

“Even if it’s setting up a bank account and putting in \$5 a month, which my parents did do when I was younger, make sure that you continue that conversation into their teens.”

Goodman said that while saving money is important, people also need to find a balance between saving and spending.

“There is a balance there. It is not about saving all your money, and it’s not about spending all your money. It’s finding an equal balance and enjoying life and managing finances.”

For more information about Goodman’s book, visit [www.followingthegoods.com](http://www.followingthegoods.com).

