

THE  
ABORIGINAL  
YOUTH  
FINANCIAL  
MANAGEMENT  
CONFERENCE  
AWARDS  
2012

GESTION  
MANAGEMENT

**AFOA**

Aboriginal Financial Officers Association of Canada

FINANCES  
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Association des agents financiers autochtones du Canada



PROSPERITY  
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JEUNES  
AUTOCHTONES  
2012

EDUCATION  
EDUCATION



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# THE SIXTH ANNUAL ABORIGINAL YOUTH FINANCIAL MANAGEMENT CONFERENCE AWARDS

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**2012**

### **Sponsored by MNP LLP**

There is a great demand both within and outside of Aboriginal communities and organizations for Aboriginal financial management professionals. However, very few of our young people are pursuing an education in financial management after high school, and many communities have considerable difficulty attracting and keeping financial management staff.

That is why AFOA launched the Aboriginal Youth Financial Management Conference Awards in 2007. With the generous sponsorship support of MNP LLP, this is the Awards' sixth year.

The Awards are open to Aboriginal youth in grades 11 and 12 across the country. Applicants were asked to write a short essay on the topic: *"Good financial management practices and personal financial literacy have a direct impact on your community, your family and in your personal and professional life. Explain why it is important that a) your community is well managed financially; b) that you be financially literate and have a good command of finance; and c) that Aboriginal youth pursue a career in finance. Conclude your essay by describing how your professional aspirations will help to support financial management in your community."* Teachers were asked to submit letters attesting to the student's performance and commitment. A selection committee reviewed the essays and submissions and selected three winners. These are:

**Brandon Pottinger** – 17 years old, Children of the Earth, Winnipeg, MB

**Zachary Richmond** – 17 years old, Cedar Secondary School, Cedar, BC

**Amber Therrien** – 17 years old, Murdoch MacKay Collegiate, Transcona, MB

Winners have been flown to Saskatoon to participate in AFOA's National Conference program activities and a special youth session; they are being introduced to opportunities in financial management as a career; and, they are being provided information on how to go about pursuing education in financial management and what kind of help is available.

AFOA and MNP LLP are very pleased to be able to honour and acknowledge these fine young people by reproducing their award winning essays in this booklet.



## Youth Award Winner

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# BRANDON POTTINGER

*17 years old, Children of the Earth, Winnipeg, Manitoba*

## Life, Accounting, and the Universe



“Good financial management practices and personal financial literacy have a direct impact on your community, your family and in your personal and professional life.” When I first read this statement, I thought it did not apply to me. I am only 17 years old. My family comes from a very small Northern Manitoba community which I have never even visited and know very little about. I spent my entire life in Winnipeg. What did I need to know about “good financial management practices” and how would they benefit me?

So I went on a quest to discover three things. First I needed to learn what good financial management practices were. Then I needed to know why they were important to me. Finally, I needed to find out how they mattered to a community that I had never even visited.

So, what are good financial management practices? I’m a pretty smart kid and I know that there are two sure fire ways to find out things that we don’t really know. I could look it up on the internet, or I could ask my business program teacher. I decided to try the internet. Did you know that when you Google “good financial management practices” you get 202 million hits in 10 seconds? Neither did I.

I’m a pretty smart kid, so I clicked into a few of these results and started reading. Did you know that good financial management practices has its own language? After about a minute and a half, I realized that, even though I’m a pretty smart kid, I knew nothing about reading the vocabulary of finance. I decided to try option 2, and I went and asked my teacher.

The thing about a good teacher is that they can take subjects that have their own language and break them down and explain them to students so that they make sense, even if the subject is something we never looked at before. And because I’m a pretty smart kid, the things my teacher was telling me started to make a lot of sense. The more he talked, the more I realized that “good financial management practices” was really a metaphor for life.

My teacher talked about how the people who look after the money are called accountants. Accountants count. They make sure that the numbers add up on all the financial statements, they make sure the outgo doesn’t exceed the income. Accountants pay the bills, plan the budgets, write the cheques, and control the accounts. Accountants also have the second highest divorce rate in the country of Egypt, but that’s another story.

## Youth Award Winner

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As I said, I'm a pretty smart guy and as I listened to my teacher talk about accounting, I began to realize that most of the things that accountants do are the same things that all people do every day. In fact, it occurred to me that accounting and good financial management practices are a metaphor for life. Every day, people make sure the numbers add up. We all try to do our best to make sure that we keep ourselves in balance; we try to make sure that our outgo doesn't exceed our input. We pay the bills that we come due, and plan for the future, we write cheques with our lives, and we ultimately control our own accounts.

Like a balance sheet, individuals and communities have assets that we try to nurture and grow. For some of us our assets are our strengths and abilities. For communities, the assets are the money they have to make improvements. Also, communities have intangible assets in the form of people. Strong leaders, good workers, people who care about the community and its citizens are all assets.

Like a balance sheet, individuals and communities have liabilities that we try to pay off and keep to a minimum. For some of us our liabilities may be very personal, like a broken home or drug and alcohol addiction or teen suicide. For others, our liabilities may be easier, a car loan or a mortgage on a new house. For communities, the liabilities are sometimes very big – lack of economic opportunity, high unemployment, housing and clean water issues, and the inter-generational effects of residential schools.

Like a balance sheet, individuals and communities also have owners' equity. We have the time and work that we have put into our educations, our families, and our relationships. Hopefully, our personal equity is positive and we have learned and grown from our efforts. For communities, the equity can be found in strong leadership, careful stewardship of the environment, and hard work in developing small businesses and infrastructure.

When we put these things together, as individuals and as communities, we must be in balance. Like the accounting equation states, our assets must equal our liabilities and our owner's equity. We must try to maintain that balance in life so that our liabilities do not use up our assets or so we don't spend all of our equity on servicing our debt. Again, the same is true for communities. And this brings us to the real point of this essay. The best way for a community to stay in balance is through sound financial management practices.

When the people who are charged with running the community are careful with the assets, both tangible and intangible, the community will prosper. When the liabilities are kept as low as possible and are managed effectively, the community will prosper. When equity is built through effective programming and responsible government, the community will prosper.

It is also important that we do not put the entire burden on only those individuals in charge. For a community to run effectively, it is helpful for others to understand how finance and governance work. When people are financially literate, they are better able to understand the necessary decisions that are made by the band for the operation of the community. We may not always like what is being done, but if we understand the reasoning it is easier to accept difficult decisions.

This is why it is important that today's First Nations youth pursue careers in financial management and accounting. Today we are learning about assets and liabilities. Tomorrow we must decide which of these we

are going to be. I think it is important for youth to choose to be an asset to their community, to their nations and their people. I cannot say at this point that I will definitely become an accountant, but I can say that I have learned why it is important that, particularly for First Nations communities who are struggling with government restrictions, third party management, and not enough money left at the end of the month, we encourage our youth to at least consider a career in finance.

Regardless of where you live, urban or rural, northern Manitoba or southern Ontario, every community needs to have strong people who care about the future and the people that are part of it. I'm a pretty smart guy and I was able to figure this out just by talking to a teacher. Think how many other smart guys and girls there are that could be the ones to make that difference in their communities by talking to someone and making the decision to participate in the prosperity of their communities by becoming accountants or financial managers.

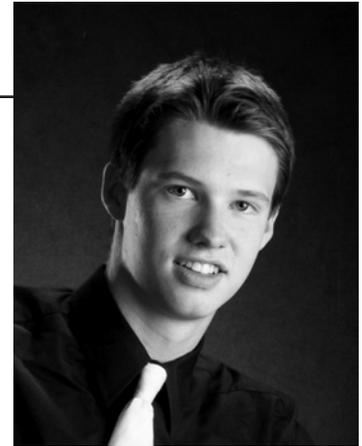
I started this essay by saying that I went on a quest to answer three questions. I learned what good financial management practices are. Then I learned why they were important to me. Finally, I found out how they mattered to a community that I had never even been to, because all communities need strong financial management practices, whether I've been there or not. Because it is true that strong financial management practices are universal and a necessity for all communities in order to be strong and successful organizations that care about people and plan for the future of everyone.

## Youth Award Winner

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# ZACHARY RICHMOND

*17 years old, Cedar Secondary School, Cedar, BC*



My name is Zachary Richmond. I am seventeen years old and in grade 12. I have lived in a small community called Cedar, on central Vancouver Island, all my life. For as long as I can remember, I have always been determined to go to a post-secondary school. My goal is to attend university in Vancouver to obtain my Bachelors of Commerce degree and my Masters in Business Administration. One day, I would like to become a Chief Executive Officer of a large company or multinational corporation, or to possibly own my own company.

I feel that good financial management practices and personal financial literacy will definitely have a long term impact on my community, my family and in my personal and professional life for the following reasons.

I believe it is important for our community to be well managed financially because of the need for infrastructure, community services, social programs, and for the need of educational support in our local area. Communities need ongoing infrastructure improvement such as roads, water mains, streetlights and housing. In addition, we need community services such as garbage collection, schooling and fire protection and policing. Also, a community needs social programs such as universal healthcare, sports facilities and social assistance programs. Providing all of these services creates a better place for people to work and live.

I feel it is important for a community to have a balanced budget for the following reasons. It is important to balance the expenditures on programs and services with the revenue or receipts and taxes collected. Managing community monies makes sure funding is available for programs, projects and delivery services on an ongoing basis and for the long term. Accountability and honesty in a community is also an important factor to a community. Residents should be able to determine how their taxes are being spent. Openness and full reporting go a long way in helping everyone feel positive about how the money is being managed. A community should also save money to allow for unbudgeted expenses that may arise. If a community overspends, it puts itself into a deficit position and jeopardizes its future programs, jobs and services. This can lead to programs or services being canceled altogether having a negative effect on the overall community. These are some of the reasons why it is important for a community to keep a balanced budget.

As an individual, it is important to be financially literate and to have a good command of finance in order to be able to manage your personal finances. According to a report by the Vanier Institute of the Family, on average a Canadian family is \$100,000 in debt and is earning far less than it owes. With families being this far in debt it is important to manage their expenditures wisely. An individual has to understand the impact of interest on credit

cards, mortgages and personal loans and that money spent on them is not available for other important needs. In 1990, Canadian families were able to save 13 percent of their income and in 2010 families were only able to save 4.2 percent of their income. I feel this is happening because families are paying higher and higher interest payments on the amounts they have borrowed and their living costs are also on the rise. This is another reason why it is important for the individual to know how to manage their money.

Savings and Registered Retirement Savings Plans ("RRSP") are important strategies for the individual to help plan for the future. Individual's savings are needed in order to help when unbudgeted expenses like a flat tire or a plumbing leak occur. If an individual has not kept any savings, any unbudgeted cost will have to be aid for out of the other required daily expenses like food, shelter or transportation. Savings and RRSP's are also good investments in case someone becomes ill or loses their job. Savings and RRSP's are an important part of a personal financial planning. It is important to save because of the financial position the Western powers are in right now. The USA is on the verge of collapse and Canada is only 3 years behind the same economic tragedy. The amount of debt is almost impossible for the US to pay off and has a high chance in ending the USA in bankruptcy. There are now sit - ins on Wall Street because of the financial disaster. The split difference between the rich and the poor has increased dramatically and people want these rich to be taxed and possibly bring our western society out of economic havoc. All of these issues increase the importance of saving for the future.

There is a need for Aboriginals to pursue a career in finance if we as a community are to maintain our autonomy and independence. We need to be able to wisely manage our own finances within our community and this will help maintain and improve our self-government. First Nations in British Columbia are taking over their own healthcare system in a "first-of-its-kind" partnership between the aboriginals and the federal and provincial governments. With these new self-governing systems of the First Nations causes more need for financially literate people within the community. Without financially literate people, the system will most likely fail to become a sustaining factor in the First Nation community.

I am very determined to earn my Bachelors of Commerce degree and then my Masters in Business Administration at the University of British Columbia. The skills I will learn at post-secondary education will include financial management and economics. All of these will help me to learn how to manage personal, corporate and community finances. I am hoping to own my own business and therefore provide employment, materials and services for community members. I also plan on being actively involved in my community and finding ways to give back and help make my community a healthy place to live.

## Youth Award Winner

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# AMBER THERRIEN

*17 years old, Murdoch MacKay Collegiate, Transcona, Manitoba*



As Charles A. Jaffe once said, "It's not your salary that makes you rich, it's your spending habits." Having good financial management habits and personal financial literacy can save you a lot of hassle in the long run. It is important for me that my community is well managed, that I am financially literate and that all other Aboriginal youth pursue careers in finance to assure that others will not have to deal with the problems associated with the lack of knowledge in these financial areas. Communities need to be properly financed to keep their streets safe and the families living on it happy, for without money adequate enough to sustain a community properly, that community's crime rates would soar. It is important for me to understand my finances because, as a young woman, I am facing a generation in which women are very much taking care of the taxes and money flowing in and out of the household. Lastly, it is important for Aboriginal youth to become involved in a career in management, so that Aboriginal poverty rates go down. All in all, the knowledge of finances is a great investment to make for yourself.

Without a doubt, I believe that it is important for my community to be properly financially managed. If it weren't, this lack of money would lead to the inability to pay for the important things that would keep the neighbourhood safe and managed. There are some things that are less important than others. Street cleaning would be one of them. If your community doesn't have enough funding to clean the streets, that's no big deal compared to something like have the money for water. I think a huge reason why there are violent communities and safe communities is because of the management of money in that community. If there was a better grasp on where the money is going, what it is being used for, how long will it would last in the community and other questions, such as these, the community might be better off. For example, if there were more funding for community centres, kids would have a place to go to after school and on weekends, thereby staying out of gangs and, hopefully, gaining skills that they can use later on in life. Certainly, funding and proper money management in the community will make it one that is safe.

For many years it was always the man-of-the-house's role to keep track of income going in and out of the household, since he was making the money. Women were not supposed to work, but merely take care of the household, except for the finances. Today, there are quite a few women working and it has become important that we be financially literate and have excellent command of our finances. The amount of women in the workforce has doubled within the second half of the century, from 32% of women working, to 62% women working today. This means that women also have expenses that they need to be aware of, so that they can keep track of them properly. Most women are pretty good at keeping track of the household budget or paying the bills. According to TD Ameritrade, 87% of women, compared to 81% of men, said they were responsible for managing the household budget. In the same study, 94% of women, compared to 84% of men, claimed

that they were the ones who paid the bills. In my experience, I found that some men and some women have bad spending habits, which I will admit, I am also guilty of. As a young woman myself, I wish to learn all that I can about my income, taxes, mortgages, bank and credit cards and the rest of my expenses so that I am not overwhelmed when I buy a house and anything else of the sort. Ultimately, it is important that I, along with all other women, become financially literate and learn how to properly manage our money, since it has become necessary to keep close track of all of this.

Truly, I believe that Aboriginal youth should pursue careers in business so that they can make sure Aboriginals are no longer in poverty. Manitoba has the highest child poverty rate in all of Canada. It has been ranked the Child-Poverty Capital of Canada for several years. This is something we could change by getting more Aboriginal youth involved in careers with management and finances. The percentage of children under 18 years of age that use food banks in Manitoba is 12.3%, which is more than double the national rate of 5%. 43,000 children in the province live in poverty and 68% of Aboriginal children, six and under, live in poverty in Manitoba. These shocking numbers need to be stopped. As a community activist, Mary Richard once said, "poverty is the hopelessness of it all." If Aboriginal youth took a higher interest in a career path pursuing business, finances and management and learned about how to take care of their money so that they wouldn't end up in poverty, Manitoba would be a better place to live in. Not to mention the fact that, once a person has learned all about how to properly take care of their money, they could pass it on to their children and the cycle of money management would continue. Indeed, Aboriginal youth need to get involved in management careers to help better the province of Manitoba and reduce poverty in the Aboriginal nation.

Depending on what I decide for a career path, it should end up benefiting my community. I am currently debating between a career in pharmacy, business or social work. Either way, I've been thinking of the idea of starting a business, either a pharmacy or a counseling business. Both would benefit my community. A pharmacy would provide local medicine in the area, which would save money for the people living nearby. I would try not to charge too much, so that nobody dwells on buying medicine. A counseling business or social work business, on the other hand, wouldn't be about saving money, but about helping others. Both businesses would support the financial management in the community, since I would have to buy the property and building, plus pay taxes which would just go back into the community's money to spend. Thus I would be benefiting my community, whether I chose to open up a social work business or a pharmacy business.

To sum it all up, good financial habits can really benefit anyone and would be exceptionally worthwhile to have. It is even more important that your community be well managed, so as to keep the crime levels down; that I and all other women be financially literate, since it has become a woman's job in recent years; and that Aboriginal youth pursue careers in financing, for the simple reason that poverty in Manitoban youth is extremely high, especially with Aboriginals. Ultimately, keeping track of your finances is always a smart thing to do.

## Youth Award Winner

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*The Sixth Annual Aboriginal Youth Financial Management Conference Awards*

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