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THE ACCOUNTANT'S CHILDREN ARE NOT THE SHOEMAKER'S CHILDREN

By: *Howard J. Kass, CPA*

My tax return is always among the last ones I complete each year. In fact, my family became so accustomed to hearing me say, "I'll do it after Tax Season," they had a T-shirt made for me with that slogan. So, imagine the skepticism when, upon my oldest child's graduation from college, I told her, "We need to make a budget for you before you move off on your own."

Every life has benchmarks that cause one to stop and wonder what impact you will have on the lives of others. Certainly, preparing to send your child off into the world gives you pause to consider if you have given them all the tools needed to have a successful life! Sure, we try to make sure our kids are well educated but, too frequently, we do that by sending them to the best schools we can afford and assume our job is done. Nothing wrong with buying our kids the best education we can, but we have a greater responsibility than that!

Hence, the "aha" moment when my daughter was preparing to move to another city. Had I done enough to prepare her for **that** responsibility??? Thinking back over her first 22 years, I think my wife and I did a pretty good job of instilling proper values such as working for what she wanted, saving money, and not taking things for granted. But there was one lesson that had yet to be effectively taught before sending her off into the world – learning how to budget her money. Sure, over the course of her upbringing, there were smaller lessons, such as making her responsible for using her own money to purchase those things that she wanted, but I still felt that the overall, thirty thousand foot view of budgeting her income and expenditures while living on her own still needed to be taught. That's just what I decided to do.

So, as my daughter was getting ready to take this first big step, she and I sat down at the computer and created an excel worksheet in which we laid out her expected income as well as her expected expenditures, both known and unknown. What we knew, at that point, was what her salary income was going to be, as well as certain fixed expenses, such as her rent and car payment. What we didn't know and, therefore, had to project were her other potential sources of income as well as many of the expenses we knew she would have, but didn't know how much they would be. I spent several hours explaining to her the expenses **we** had in running a household and guided her through the process of making realistic estimates of what **her** expenditures were likely to be. When we were done, we added an additional "miscellaneous" expense item for the truly unknown to make sure she had a cushion.

I'm happy to say that the process has worked. My daughter thinks about the effect expenditures will have on her budget before making them. And my older son, upon graduating from college and moving out on his own, came to me and said, "Dad, will you help me make a budget, like you did for my sister?" How gratifying is **that**?

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As you read this and think about how it applies to *your* family, don't stop there. Ask yourself if you have the tools you need to teach your children how to budget. If you do, great! If not, there are many terrific resources available to help you to acquire those tools. Find them and use them, or ask us for help.



Howard J. Kass is the Tax Partner at Zinner & Co. LLP, a full-service accounting, tax and wealth-management consulting firm located in Cleveland, Ohio. Howard has over 30 years experience and has cultivated particular expertise in individual and business income taxes, tax aspects of real estate investment, gift and estate taxes and tax exempt organizations. Howard applies his extensive knowledge and experience to a diverse client base of individuals and companies including closely held businesses in a variety of industries and ownership structures such as C Corporations, S Corporations, Partnerships, and LLCs. Industries served include real estate, manufacturing, retail establishments, insurance agencies, distributors and service companies.

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