Presenter's Manual

Financial Basics WORKSHOP

INVESTOR EDUCATION FUND

OSC

An Ontario Securities Commission initiative

Financial Consumer Agency of Canada

Agence de la consommation en matière financière du Canada

Canada

Financial Basics workshop resources are available in both English and French. These Free resources are available on a CD in PDF and include the following:

- Presenter's Manual
- Participants' Handbook
- Presentation Slides
- Workshop Evaluation Form
- Promotional Artwork

If you are interested in ordering Financial Basics materials please visit Financial Basics in the Educational Programs section at **www.fcac.gc.ca**.

Mailing Address:
Financial Consumer Agency of Canada
427 Laurier Avenue West, 6th Floor
Ottawa ON K1R 1B9

FOR MORE INFORMATION:

Please visit FCAC's Important Notices section at **www.fcac.gc.ca** or visit The Crown Copyright and Licensing section at **www.publications.gc.ca.**

FCAC Contact Information:
info@fcac-acfc.gc.ca
Toll-free numbers:
For services in English: 1-866-461-FCAC (3222)
For services in French: 1-866-461-ACFC (2232)

Cat. No.: FC5-38/1-2013E-PDF
ISBN: 978-1-100-22822-8

11-2013

Table of Contents

notes

Financial Basics presenter's manual

Introduction

Welcome to Financial Basics, and thank you for agreeing to be a presenter.

Financial Basics was developed by the Financial Consumer Agency of Canada (FCAC), an agency of the Government of Canada, and the Investor Education Fund (IEF), a non-profit organization established by the Ontario Securities Commission, in collaboration with Ellen Roseman, a financial author and journalist. Both organizations, FCAC and IEF, are dedicated to developing and promoting unbiased, independent information, programs and tools to help consumers make better financial decisions.

By teaching the Financial Basics workshop, you are helping young Canadians realize a more secure financial future.

This manual contains all the instructions and information you will need to teach the workshop. If you have any questions, please contact FCAC at info@fcac.gc.ca. Have fun!

Materials you will need

- This manual
- A projection system with the following materials uploaded to a laptop computer:
    - o Slides 1 through 88 (Financial Basics Workshop Presentation.pdf)
    - o The video Track your spending: Track-o-matic (www.GetSmarterAboutMoney.ca, select Tools and Calculators, Videos and then Funny money tab)
    - o The video Get it on Credit (www.GetSmarterAboutMoney.ca, select Tools and Calculators, Videos and then Funny money tab)
- Participants' Handbook (one copy per participant)
- Evaluation form (one copy per participant)
- Glossary of financial terms (one copy per participant)
- A whistle or bell to call back participants' attention when they are working with a partner.

Organization of the manual

The workshop is divided into nine content sections. In the manual, each section is written as a series of steps, each focusing on an element of the overall section topic. Beneath each sub-topic, the lettered items are instructions to you, and the bulleted items are general speaking points for you to make to the class. Within each sub-topic there is also a reproduction of the slide you will show to illustrate that point, if appropriate. The corresponding page in the Participants' Handbook is indicated next to the steps, so you can direct the participants to follow along as you go through the workshop.

Big idea

At the beginning of each section, you and all the participants will see a box containing the "big idea." This is a statement of the key messages to be conveyed in the section.

Time estimates

The suggested time for the entire Financial Basics workshop is 5 hours. This is an approximate, depending on how much discussion and how many questions arise during the workshop. The first few times you teach the workshop, make note of which parts take longer and which go more quickly. If you find yourself running behind, you can skip some steps. The time for delivering the workshop is tight, so remind participants to come back promptly from breaks and lunch. If you do not have five hours, focus on the sections that are the most relevant to your target audience.

Preparation

To make your presentation as effective as possible, please do the following before the workshop:

- Read through the presenter's manual.
- Upload the necessary materials onto a laptop computer.
- Familiarize yourself with the teaching space, including the projection system and the location of washrooms and refreshment areas.
- Prepare the allocated time for the workshop. Please find the suggested length of time for each section:
    - Introduction and quick quiz (15)
    - Benefits of financial literacy (10)
    - Budgeting (40)
    - Managing your expenses (60)
    - Credit and debt management (60)
    - Saving and investing (60)
    - Financial planning (20)
    - Protecting yourself (20)
    - Summary and wrap-up (10)

Mix of activities and lecture

The workshop is designed with a mixture of lecture-style information points, media presentations and interactive steps that participants complete either on their own or with a partner.

Partner activities

Participants are asked to do some of the activities with a partner, usually the person next to them. This makes the workshop more engaging and enjoyable, and it compensates for many participants' lack of knowledge and experience about financial matters. Encourage conversation and sharing between partners. Reassure participants that they do not have to share confidential financial information with anyone.

Participants' Handbook

Each participant will leave the workshop with a handbook. The handbook contains reproductions of the information slides, as well as worksheets that participants use during the workshop and sources for more information. At the beginning, tell participants that they do not have to copy down the information in the slides because it is included in the handbook.

Teaching tips

- Keep it moving. Participants will likely have many questions and will want to share their experiences. Encourage this, but don't let too much discussion slow down the pace of the workshop.
- Spread out the attention. To discourage the same handful of participants from asking all the questions or making all the comments, you can call on people or ask for questions from other participants.
- Give time warnings. When participants are doing an activity, let them know before they start how much time they will have to complete it, and give them reminders every couple of minutes to let them know how much time they have left.
- Repeat questions. When participants ask a question or make a comment, often those behind them in a large classroom or lecture hall cannot hear. Briefly repeat or summarize the question before you answer so everyone can understand the answer.

Financial Basics Workshop

Introduction

1 Welcome everyone and point out

- I'm glad you're here to learn about how to manage your money.
- The workshop will be informative, helpful and fun.

2 Introduce yourself and give a brief summary of your background

3 Housekeeping items

a) Point out the location of washrooms and fire exits.

b) Point out the location of coffee shops and restaurants for breaks and lunch.

c) Outline a workshop agenda.

4 Point out

- In addition to covering these topics, you will do activities and worksheets to apply the information to your own life.
- The handbook you received when you came in contains summaries of the workshop content as well as resources for more information. You can follow along and write your notes in the manual. We'll refer to it throughout the workshop.
- We need your feedback, so please fill out the evaluation at the end of the manual and drop it off before you leave.

Participants' Handbook, **page 2**

5 Show Slide 3: What you will learn during this workshop

Slide 3: What you will learn during this workshop

- How to manage your spending and prepare a realistic budget
- Ways to save
- How to manage credit
- How to pay off debt
- How to invest to make your money work for you
- How to plan to reach your own financial goal
- How to protect yourself from fraud

Why learn about financial literacy?

Big idea: Knowing how to manage your money will protect you financially and help you reach your goals.

Participants' Handbook, **page 3**

1 Show Slide 4: Benefits of being more financially literate

Slide 4: Benefits of being more financially literate

- Control your financial future.
- Achieve your life goals.
- Provide for yourself and your family.
- Be a smarter consumer.
- Reduce stress and sleep better at night.

2 Instruct participants

- Write down one financial goal for yourself. Examples: get out of debt, save to buy a new computer, make a down payment on a condo, start saving a set amount every month.
- Give your goal an approximate dollar value. This will probably be guesswork. That's OK.

3 Tell participants

- We will come back to this goal during the workshop.
- By the end of the day, you will have some knowledge and skills to help you get closer to achieving your goal.

Icebreaker activity: Statistics quiz

1 **Explain that participants are going to take a short quiz on Canadians' money management habits**

a) Show Slides 5 through 9.

TIP: To save time, do the quiz verbally. As you go through the questions, ask for a show of hands for each choice, then reveal and discuss the correct answer.

Slide 5

The current average percentage of their income that Canadians save is:

a) 5%
b) 7.5%
c) 10%

Answer: a). Our national saving rate is near its historic low. At 5% as of early 2011, it is among the lowest of The Organisation for Economic Co-operation and Development (OECD) members. Savings rates are higher in France (12.5%), Germany (11%), the Russian Federation (11%), Italy (9%) and U.S. (6%). The U.K. (1%) is even worse off than Canada.

[Source: 2011-2012 OECD Factbook: Economics, Environmental and Social Statistics.]

Slide 6

In 2010, the average household debt of Canadians was:

a) $26,000
b) $56,000
c) $96,000

Answer: c). The average household debt of Canadians includes outstanding balances on credit cards, mortages, loans and lines of credit (secured and unsecured). The average household debt has increased by 78% over the past two decades.

[Source: 2010 figures; Source: Canadian Financial Monitor, 2010]

Slide 7

In 2009, the total reported dollar loss by victims of identity theft in Canada was about:

a) $7 million
b) $9 million
c) $11 million

Answer: c). Canadians reported losses of just under $11 million as a result of identity theft in 2009. This represents an increase from $6.5 million in 2007. And these figures are probably low, since losses to fraud are often not reported.

Source: Competition Bureau of Canada; Canadian Anti-Fraud Centre; Industry Canada; Canadian Securities Administrators Investor Study; Understanding the Social Impact of Investment Fraud, 2009]

Slide 8

In 2009, the average debt:

For college graduates was:

a) $3,500
b) $8,500
c) $13,500

For university graduates was:

a) $11,500
b) $26,500
c) $32,500

Answer: c) For college graduates and b) for university graduates. Not only are more participants taking on participant loans, but in recent studies, one in four graduates reported difficulty in repaying loans. Participant loans may be a sound financial step, but they will limit what you can do with your money after you graduate until you pay them back.

[Source: Canadian Council on Learning, Tallying the Costs of Post-Secondary Education: The Challenge of Managing Participant Debt and Loan Repayment in Canada, 2010]

Slide 9

The percentage of Canadian youth whose parents are not expected to contribute any savings to their education after high school is:

a) 25%
b) 35%
c) 50%

Answer: c). Roughly half of children in Canada have parents who are saving for their education. Another third (30%) have parents who plan to save in the future – but most of those will not do so.

[Source: HRSDC, 2006]

b) Ask the participants:

- How many of the questions did you get right? Wrong?
- Did any of the answers surprise you? Why?
- If you recognized yourself in any of the statistics, you're in the right place.

Budgeting

Big idea: Budgeting is the first step in managing your money. It's not hard, complicated or full of sacrifice.

1 What budgeting is all about

a) Point out:

- The first step in managing your money is knowing where it's coming in and where it's going out – and making sure the "in" exceeds the "out" so you have enough for your needs, and can save and invest for your future.
- There's nothing difficult about a budget. Budgeting doesn't mean doing without. It's just an organized way to manage your money.

2 The parts of a budget

a) Point out:

- To do a budget, you need to know what you make and what you spend each month.
- Most of us have a pretty good idea of what our income is. But we're a little fuzzy on how much we spend, and what we spend it on. That's why you need to keep a record. To get a true picture of your expenses, write down all your expenses for 3 months, either on paper or using an electronic device.

b) Show Slide 11: Parts of a budget.

Slide 11: Parts of a budget

- Income
- Expenses
- Difference between the two: surplus or deficit

Participants' Handbook, **page 4**

3 Know your expenses

a) Show Slide 12: Know what you spend.

Slide 12: Know what you spend

- Keep every receipt.
- Record every expense in a notebook or electronic device.
- Review bank and credit card statements.
- Do this for at least three months.
- Make a list of irregular expenses (gifts, donations, car or home repairs, vacations).
- Total your expenses at the end of the month.

b) Point out that software can make it easy to record and organize your expenses, and that there are sources listed in the handbook.

4 Have participants do a simplified monthly budget

a) Tell participants that they will do a monthly budget, using pages 5 to 7 in the handbook.

b) Point out:

- This is a simplified budget. If you have actual figures for your income and expenses, you can use them. If you don't, write down the best estimates you can. Typical ranges are given to guide you.
- Even though this budget will be approximate, it's still valuable because it gives you practice in filling out a budget.
- You can repeat the budget exercise at home using more accurate figures.

c) Show Slides 13 through 15 and give these instructions as participants complete the budget steps in their handbooks:

- [Slide 13] Turn to page 5 in your handbook. Fill in your approximate monthly income, or choose one of the sample professions and estimate a monthly income from the range given.
- [Slide 14] Turn to page 6. Fill in your fixed expenses – those items that come up every month and are roughly the same each month.
- [Slide 14] Turn to page 7. Fill in your variable expenses – those items that vary each month. Add any expense categories that are missing.
- [Slide 15] At the bottom of page 7, enter your total monthly expenses, adding your fixed and variable expenses.
- Then enter your total monthly income from page 5.
- Subtract your total monthly expenses from your total monthly income. Do you have a surplus or a deficit?

Slide 13: Monthly income

Monthly Income

Average monthly net income from employment after deductions OR choose one from the following list and enter the typical monthly take home pay

Food and beverage servers	$ 911
Cooks	$1,187
Early child educators and assistants	$1,141
Musicians and artists	$1,365
Retail salespersons and clerks	$1,420
Hairstylists and barbers	$1,027
Sales and service occupations	$1,395
Dental assistants	$1,439
Bookkeepers	$1,568
Graphic art technicians	$1,820
Construction trades workers	$1,720
Banking, insurance and other financial clerks	$1,583

Other sources of income (gifts, tax credits, investments, participant loan or family, etc.)

Total monthly income

Slide 14: Monthly expenses – Fixed expenses

Monthly expenses – Fixed expenses

Housing	$355 – 1,090
Car payments	$220 – 1,305
Other loan payments	$0 – 275
Insurance (car, home, travel, etc.)	$10 – 380
Utilities (electric, gas)	$70 – 90
Telecommunications (cable, Internet, telephone, cell phone, long distance, voice and data roaming charges)	$30 – 260
Child care	$240 – 710
Other	
Total fixed expenses	

Slide 14: Monthly expenses – Variable expenses

Monthly expenses – Variable expenses (includes irregular expenses)

Groceries	$165 – 275
Eating out	$55 – 275
Household expenses (cleaning, maintenance, furniture)	$55 – 165
Computer (hardware, software, accessories, supplies)	$90 – 275
Pets	$25 – 165
Transportation (transit, gas, car maintenance, etc.)	$30 – 220
Health care (medical services plan, dental, glasses/lenses, medication)	$35 – 120
Clothing and footwear	$50 – 200
Personal care (toiletries, hair care, make-up, laundry)	$45 – 130
Recreation (movies, games, VD/videos, clubs, concerts, sports, etc.)	$60 – 300
Travel	$40 – 275
Gifts and charitable donations	$30 – 220
Education (post-secondary tuition, books, fees, etc.)	$435 – 820
Other	$5 – 75
Savings	$0 – 275
Total variable expenses	
Total monthly expenses	

Slide 15: Net surplus or deficit

Difference between total monthly income and total monthly expenses =

Net surplus ______________
OR
Net deficit _______________

[Sources: Average Canadian net income for various occupations, after deductions, adjusted for typical hours of work, based on Statistics Canada 2011. Average Canadian expenses based on Statistics Canada 2011.]

d) Lead a short discussion:

- What surprised you?
- What did you learn?
- How many of you had a surplus? How many had a deficit?
- If you had a surplus, today you'll learn how to save and invest to make your money grow. If you had a deficit, today you'll learn how to cut your expenses to better match your income.

Participants' Handbook, **page 8**

5 Where to get more information on budgeting

a) Direct participants to page 8 in their handbooks. Point out that they can use these resources to find out more about budgeting and to prepare their own budgets.

- Free resources:
  - o FCAC Budget Calculator
    ⏩www.fcac.gc.ca, under For consumers and Resources, click Tools and calculators and select Budgeting Tool
  - o FCAC Tip Sheet: Making a Budget and Sticking to It
    ⏩www.fcac.gc.ca, under For consumers and Resources, click Publications and select Budgeting and Money Management
  - o IEF Videos, Worksheets and Calculators:
    ⏩www.GetSmarterAboutMoney.ca, click Tools & Calculators
- Off the shelf budget software that downloads data from your bank account and credit cards:
  - o Local version on your desktop
  - o Mobile apps

6 Point out that participants have accomplished a lot in the first part of this workshop, and that, after the break, they'll look at how to manage their expenses to live within their budget.

Managing your cost of living – be a smart consumer

Big idea: You can be proactive in reducing your costs. By shopping around and negotiating with service providers, you can get better deals that will save you money. Small behaviour changes will result in big savings.

1 Introduce the benefits of managing your costs by pointing out:

- If you had a deficit in the budget exercise, you need to find ways to cut your expenses.
- Even if you had a surplus, you can still reduce your spending so you have more money left over.
- That's what we're going to look at now.

2 Pose the question:

- If you had to save $50 this week, what would you do?
- What have you successfully done in the past?

a) Take responses from the audience. Point out:

- Those are all good suggestions, and we are going to look at more ways to reduce your costs.
- There are several key areas where most people can cut back and save.

Participants' Handbook, **page 9**

3 Show Slide 17: Areas for saving

Slide 17: Areas for saving

- Check your bills.
- Negotiate better plans (banking fees and services, telephone, cell phone).
- Pack a lunch.
- Consider whether you need to own a car, a home or the latest high-tech gadget.

a) Tell participants that we'll look at these one at a time.

4 Check your bills

a) Show Slide 18: Check your bills, and point out the benefits of checking your bills every month.

Slide 18: Check your bills

- Spot mistakes and overcharges.
- Pay less in late fees, interest and penalties.
- Get errors corrected before it's too late.

5 Negotiate better plans

a) Show Slide 19: Negotiate better plans.

b) Point out:

- Service providers include bank, insurance, telephone, cable TV, internet and credit card companies.
- Most service providers (except monopolies like power utilities) will negotiate and match the prices of their competition, especially if you have done some homework and tell them what the competition is offering.
- Call each service provider. Ask for the customer retention or loyalty department. Ask these questions:

Slide 19: Negotiate better plans

Call each service provider and ask:

- How can I cut back my monthly bills?
- Am I currently on any plans?
- Do you have a better plan or deal for me?
- If so, what is the timeframe?
- Will I be put on contract for any new deals?
- Can I bundle services to save money?
- Can I avoid interest or late payment penalties?

Participants' Handbook, **page 10**

6 Banking

a) Point out:

- Opening a bank account is a right that all Canadians have.
- All costs should be disclosed when you open a bank account.
- The FCAC oversees federally regulated financial institutions to ensure that they comply with federal consumer protection laws and regulations.

b) Point out that you can reduce your cost of banking by asking the right questions and making changes to your service package.

c) Show Slide 20: Reduce banking costs, and go over the questions to ask.

Slide 20: Reduce banking costs

- What am I paying in monthly service charges?
- How much am I paying for ATM fees?
- Can I save by doing more banking online?
- Am I eligible for a low-fee deal if I'm a student?
- Can I get a reduced fee if I keep a minimum balance?
- Can you suggest a better plan for me?

7 Cost of banking guide

a) Point out that you can use the FCAC's Cost of banking guide to find the best banking service package for you.

b) Show Slide 21: Banking Tools, and point out that these online tools can help you find the financial institution and account that best suits your needs.

Slide 21: Banking Tools

8 Phone costs

a) Point out that you can reduce your phone costs by asking the right questions and making changes to your plan.

b) Point out that if you are tied into a long-term contract, you have less flexibility to negotiate your costs, and you may have to pay exit fees to get out of your contract, thus raising your costs.

c) Show Slide 22: Compare phone costs, and go over the questions to ask.

Slide 22: Compare phone costs

- What am I paying for land line and cell phone?
- How much do my long-distance calls cost?
- Can I bundle services together to save?
- Can I switch suppliers to save money?
- Do I have a contract? When does it expire?
- Have I called suppliers to ask how to cut costs?

9 Bundling phone services

a) Ask participants if any of them have tried bundling their phone services, and how it worked out for them.

b) Show Slide 23: Bundling services pays big-time, and explain the example.

Slide 23: Bundling services pays big-time

- You pay $25/month for home phone, $30 for cellphone, $35 for Internet and $40 for cable TV = $130
- Example of bundling discounts:
  - o Combine 2 services, save 5%
  - o Combine 3 services, save 10%
  - o Combine 4 services, save 15%
- Save 15% of $130 = $19.50 per month

Participants' Handbook, **page 11**

10 Food costs

a) Ask participants for examples of how they have saved on food costs.

b) Ask how many people brought their lunch or their own refillable water bottle today. Point out that bringing your own lunch can save about $5 a day (based on $8 for a purchased lunch, less $3 for the cost of food). Bringing your own water bottle increases the daily savings by about $2 a day. If you do this three times a week, the savings can add up to $1,000 a year!

c) Show Slide 24: How to save on food.

Slide 24: How to save on food

- Eat breakfast at home.
- Bring your lunch, drinks and snacks (and coffee).
- “Veg out” on meatless meals once a week or more.
- Cook one big dish on weekends and freeze.
- Shop with a buddy at discount supermarkets and split quantities.
- Set a budget and stick to it.
- Bring a list and don’t shop on an empty stomach.

11 Car costs

a) Ask how many people own a car. Ask how much people spend on their car in a week. Remind them to include costs for insurance, interest on loans or leases, depreciation and maintenance. The CAA estimates that the total costs of a typical car range from about $125 to about $170 a week, or about twice what you paid for it over the life of the car.

b) Point out that, given the real costs of car ownership, you may be better off cycling, taking transit, taking taxis, joining a car sharing organization like a carpool or car co-op, or renting a car when you need it. c) Point out that, in Canada, a monthly transit pass costs from about $40 for a participant pass to $135 for an adult pass, depending on where you live.

d) Ask if anyone belongs to a car sharing organization. How has it worked out for them?

e) Show Slide 25: Do you really need a car?

Slide 25: Do you really need a car?

- Add up the real costs of ownership (gas, insurance, depreciation, interest and maintenance).
- Check out Driving Costs brochure ⏩ www.caa.ca, under Working for You, click Driving Costs.
- Try the Vehicle Lease or Buy Calculator ⏩ www.ic.gc.ca, select Just for consumers, select Office of Consumer Affairs (OCA), click Spending Smarter Calculators.
- Check out The Car Sharing Network ⏩ www.carsharing.net, click Where to find Car Sharing.

Participants' Handbook, **page 12**

12 Home ownership costs

a) Point out:

- Although most people think it's better to own your home so you have equity in it and forced savings, that's not necessarily true.
- You can't rely on increasing property value to make home ownership worthwhile. Property values can go down as well as up.
- When calculating the costs of home ownership, look not just at the interest rate for a mortgage but also at any fees or penalties associated with mortgages.

b) Show Slide 26: When owning a home doesn't make sense.

Slide 26: When owning a home doesn't make sense

- When you move frequently:
  - o It takes at least 5 years to make it worthwhile.
- If you have a very low down payment:
  - o You'll need mortgage default insurance.
  - o You may have a higher interest rate.
- When your income covers only mortgage payments and taxes.

13 Home ownership

a) Show Slide 27: Can you afford it?

Slide 27: Can you afford it?

- Try it out:
  - o Put the monthly costs of owning a home (mortgage, property taxes, maintenance, etc.) into a savings account.
  - o Can you afford to live on what's left?
  - o Could you afford higher costs for heating, taxes or insurance?
- IEF Buy or rent calculator:
  - o ⏩ www.GetSmarterAboutMoney.ca, under Tools & Calculators, click Calculators, under Home Ownership
- Rent or Buy a Home Calculator
  - o ⏩ www.ic.gc.ca, select Just for consumers, select Office of Consumer Affairs (OCA), click Spending Smarter Calculators

14 Putting it all together

a) Show Slide 28: How to cut $100/month of spending.

b) Point out:

- These cuts add up to $1,700 a year.
- The costs are based on Toronto figures and may be different where you live, but the principle is the same.

Slide 28: How to cut $100/month of spending

Category	Behavior change	Daily saving	Weekly saving	Monthly saving	Annual saving
Food	Take lunch 3 x week	$5/day ($8 saved – $3 cost)	$15	$60	$720
Transportation	Take transit, not car, once a week	$13 ($12 parking + $3 gas – $2 transit fare)	$13	$52	$624
Cell phone plan	Pay as you go vs. monthly	$1 ($55/mo. – $25 = $30)	$7	$30	$360

Managing your cost of living – needs and wants

Big idea: Small behaviour changes will result in big savings. It's important to know the difference between needs and wants.

1 Show "Track your spending: Track-o-matic" video

(www.GetSmarterAboutMoney.ca, Tools and Calculators, Videos, select FunnyMoney tab)

a) Ask if any participants recognized themselves in the video – and be honest!

b) Point out that the video highlights the difference between needs and wants.

c) Ask for examples of needs and wants in the video.

Participants' Handbook, **page 13**

2 Needs and wants

a) Ask participants to define "need" and "want." Point out:

- A need is something essential. A want is something nice to have. It may be important to you, but it's not essential.
- Get into the habit of asking yourself if something is a need or a want. There's nothing wrong with spending money on wants. But it's important to learn to set spending priorities so you will have money for the things you really need and want.

Participants' Handbook, **page 13**

3 Your latte factor

a) Point out that the key question to ask is: What is your latte factor?

b) Show Slide 30: What is your latte factor?

c) Ask participants for examples of their "latte factor."

Slide 30: What is your latte factor?

"We've all got a latte factor, regardless of our income level."
– David Bach

- Designer coffees
- Lunch in restaurants
- Impulse buys
- The latest, greatest [fill in the blank]

4 Be aware of why you spend

a) Point out that the first step in curbing unnecessary spending is to be aware that you do it.

b) Point out that successful people are those who are able to delay gratification.

c) Show Slide 31: Questions to ask yourself.

d) Ask participants for examples of items that seemed to be needs but turned out to be unnecessary.

Slide 31: Questions to ask yourself

- When does a want become a need?
- What motivates you to buy – advertising, friends, trendy styles?
- Does the urge to buy die the next day?
- Do your purchases make you happier?
- What "needs" are now collecting dust?
- What can you learn to live without?

5 Reduce temptation

a) Point out that the second step in curbing unnecessary spending is to reduce temptation and exercise restraint.

b) Suggest that participants try the 30-day test. Write down things you'd like to buy, wait 30 days and then recheck the list. Do you still want it?

c) Point out that new federal regulations say that credit card companies have to ask your permission to raise your credit limit.

d) Show Slide 32: Reduce impulse buying.

Slide 32: Reduce impulse buying

- Avoid trips to stores and shopping malls and online buying sites.
- Pay cash or cheque for purchases and only carry the cash you are willing to spend.
- Reduce available credit on your credit card and line of credit.
- Leave credit cards at home.
- Sleep on it and see if you still want it the next day.
- Take baby steps and cut costs by increments.

Participants' Handbook, **page 15**

6 Cutting back exercise

a) Ask participants to turn to page 15 in their handbooks.

b) Give these instructions:

- Use this checklist to mark areas where you could cut back in your own life.
- Calculate how much you would save per week and per month.
- Then write down what else you could do with that money.
- You'll have five minutes to finish the chart.

c) After participants have completed the worksheet, ask them:

- Compare your potential savings against the goal you wrote down earlier.
- How could these changes help you reach your goal faster?

	Average cost	# times/week reduction	Weekly savings
Bring lunch instead of eating out			
Take transit instead of driving			
Buy a refillable water bottle instead of buying bottled water			
Have one less coffee or cappuccino a week			
Ride-share with a colleague instead of driving alone			
Buy none or fewer each week: cigarettes, candy bars, after-work snacks			
Stop buying or buy fewer lottery tickets			
Skip the popcorn at the movies			
Share a magazine subscription with a friend			
Borrow DVDs from the library instead of buying them			
Eat out less often			
Return library books and DVDs on time and skip fines and late fees			
Other			
Other			
			Total:
With this money, I could:			

Participants' Handbook, **pages 6 and 7**

7 Have participants go back to pages 6 and 7 in the handbook and modify their budgets to reflect the spending cuts.

a) Give them five minutes to adjust their budgets. Then ask:

- Was anyone able to meet their goal just by making simple cuts?
- Does anyone feel that it's a lot easier to meet their goal by making these simple cuts?
- Does anyone think they can't make these simple cuts?

8 Where to get more information on cutting consumer and discretionary spending

a) Direct participants to page 16 in their handbooks.

- FCAC Mortgage Calculator Tools
  ⏩ www.fcac.gc.ca, under For consumers and Resources, click Tools and calculators and select Mortgage Calculators
- FCAC Tip sheet: Before You Sign Any Contract: 10 Things You Need to Know
  ⏩ www.fcac.gc.ca, under For consumers and Resources, click Publications and select Your Rights and Responsibilities
- FCAC
  ⏩ www.fcac.gc.ca, under For consumers and Topics, click Banking
- IEF Buy or rent calculator
  ⏩ www.GetSmarterAboutMoney.ca, under Tools & Calculators, click Calculators, under Home Ownership
- Rent or Buy a Home Calculator
  ⏩ www.ic.gc.ca, select Just for consumers, select Office of Consumer Affairs (OCA), click Spending Smarter Calculators
- Vehicle Lease or Buy Calculator
  ⏩ www.ic.gc.ca, select Just for consumers, select Office of Consumer Affairs (OCA), click Spending Smarter Calculators
- Driving Costs brochure
  ⏩ www.caa.ca, under Working for You, click Driving Costs
- The Car Sharing Network
  ⏩ www.carsharing.net, click Where to find Car Sharing
- Money-saving coupons and discounts
  ⏩ www.redflagdeals.com
  ⏩ www.frugalshopper.ca
- Latte factor calculator
  ⏩ www.finishrich.com, under Free Stuff, select Latte Factor Calculator
- Cellphone shopping
  ⏩ www.CompareCellular.com
  ⏩ www.GeckoBeach.com
  ⏩ www.HowardForums.com

Big idea: Credit is a helpful tool but it can get out of control. Pay your bills in full and on time. Pay down your most expensive debt first.

1 Show "Get it on Credit" video

www.GetSmarterAboutMoney.ca, Tools and Calculators, Videos, select FunnyMoney tab

Participants' Handbook, **page 17**

2 Have a brief discussion:

- What key messages did the video give you?
- How many of you have ever missed a credit card payment and ended up paying the maximum interest?
- Point out that credit isn't a bad thing; it's a tool to help you pay for big-ticket items and meet your financial goals. It becomes a problem only when you can't comfortably repay the debt.

3 Do a short quiz to test how credit card savvy participants are.

a) Show one question at a time, Slides 34 through 38.

TIP: To save time, do the quiz verbally. As you go through the questions, ask for a show of hands for each choice, then reveal and discuss the correct answer.

Slide 34

Paying your credit card bill just a couple of days after the due date won't affect your credit report.

True or false?

Answer: False. Whether your credit card bill payments are late by a couple of days or several weeks, it will damage your credit history and could affect your credit report. A poor credit history could make it hard for you to get credit in the future. And if you do manage to get a loan, you might end up paying a higher interest rate because the bank considers you to be a higher risk.

Slide 35

All credit cards have the same grace period (also known as the interest-free period).

True or false?

Answer: False. The grace period is the time between the statement date and the payment due date, and is provided by the credit card issuer. For federally regulated financial institutions, the grace period on new purchases has to be a minimum of 21 days but can be longer. The 21-day grace period on new purchases applies even if an outstanding balance has been carried forward from the previous month.

Slide 36

Last month, your credit card balance was zero. This month, your statement shows that you made a $500 purchase. If you pay off $400 by the due date, you will be charged interest only on the $100 left to pay.

True or false?

Answer: False. If you don't pay in full by the due date shown on your credit card statement, you will be charged interest on the $400 you paid off, from the transaction date until the day you made the payment, and you will be charged interest on the $100 outstanding, from the transaction date until the date you pay this amount in full.

Slide 37

If you use your credit card to take money out as a "cash advance," you don't have to pay interest on the amount you've withdrawn as long as you pay your credit card bill in full by the due date on your statement.

True or false?

Answer: False. Banks and credit card companies treat cash advances differently from purchases made with a credit card. With a cash advance, you are charged interest from the day you get the cash advance until the day you pay it off in full.

Slide 38

Without a good credit history…

a) Your bank may charge you higher interest rates on a personal loan for a car, house, etc.
b) Your bank may refuse to give you a loan.
c) You might not be able to get a lease on an apartment.
d) A and B only.
e) All of the above.

Answer: All of the above. A poor credit rating can affect your life in many ways. That's why it's very important to have a good credit history!

Participants' Handbook, **page 17**

4 Picking the right credit card for you

a) Point out:

- There is a wide range of credit cards available, all with different features, rewards and fees.
- You need to choose carefully so you get the credit card that best suits your needs and how you plan to use the card.
- The FCAC's Credit Card Selector Tool helps you find cards with the features you want. You'll find the link in the list of resources in your handbook.

5 Credit card service fees

a) Point out:

- The interest rate isn't the only thing you need to check out; you also need to find out what kind of fees you will pay to use your card.
- There is information about the types of service fees you could be charged in your handbook.

Participants' Handbook, **page 18**

6 How to stay out of trouble with credit cards

a) Show Slide 39: How to stay out of trouble.

b) Point out that these are tips for using your credit card responsibly so you don't pay unnecessary charges and get in trouble with credit card debt. Remind participants that when you pay for something with a credit card, you are taking out a loan and you have to pay it back.

Slide 39: How to stay out of trouble

- Pay the balance in full each month.
- If you can't pay it in full, pay as much as you can.
- Don't make only the minimum payment.
- If you always carry a balance, get a low-rate card.
- Transfer the balance to a line of credit with a lower rate.
- Pay a few days *before* the due date.

7 If you don't pay your credit card charges in full and on time

a) Point out:

- If you can't pay your full credit card charges each month, the best thing is to pay a fixed amount.
- Second best, pay the minimum amount plus an additional amount.
- This example shows the difference.

b) Show Slide 40: Minimum vs. fixed payments.

Slide 40: Minimum vs. fixed payments

- Initial balance: $3,000
- Interest rate: 18%

	Make minimum payments of 2.5%/month	Make fixed payments of $100/month	Difference
Time to pay off balance	263 months	41 months	222 months
Total interest paid	$4,115.41	$1,015.49	$3,099.92

8 Credit Card Payment Calculator

a) Point out:

- With online credit card payment calculators, you can plug in different balances and payment methods to calculate the total charges under different scenarios.
- Two good calculators are listed in the handbook. They are:
  - o FCAC Credit Card Payment Calculator ⏩ www.fcac.gc.ca, under For consumers and Resources, click Tools and calculators and select Credit Card Tools
  - o IEF Pay off credit cards and debt calculator ⏩ www.GetSmarterAboutMoney.ca, under Tools & Calculators, click Calculators, under Credit Cards and Debt

Participants' Handbook, **page 19**

9 Other types of debt

a) Point out:

- Credit card debt isn't the only kind of debt people incur. They also take out participant loans, mortgages, car loans, personal loans from friends or relatives, etc.
- Many of you most likely have some of these types of debt.

b) Show Slide 41, Tips for managing debt, and point out that, whatever type of debt you have, you can manage it better by following these tips.

Slide 41: Tips for managing debt

- Shop around.
  - o Compare interest rates. Don't accept your first offer.
- Keep within your budget.
  - o Borrow only what you can afford to pay back regularly and on time.
- Pay back more and pay more often.
  - o Additional payments mean you'll pay it off sooner and pay less interest.

Participants' Handbook, **page 19**

10 Canada Student Loans Program

a) Show Slide 42, Canada Student Loans Program.

b) Point out:

- The purpose is to supplement, not to replace, the financial resources that a student (and their family, where applicable) are expected to contribute.
- Refer the participants to:
  - o Their provincial and territorial participant assistance offices, for any application, repayment or for more information. (Note that the Northwest Territories, Nunavut and Quebec operate their own student financial assistance progams.)
  - o www.CanLearn.ca for more information.

Slide 42: Canada Student Loans Program

- For students in financial need
- Interest-free while you are enrolled in post-secondary education
- Become payable 6 months after you leave your studies
- Apply for this federal support through your provincial or territorial student assistance office
- For more information, visit www.CanLearn.ca

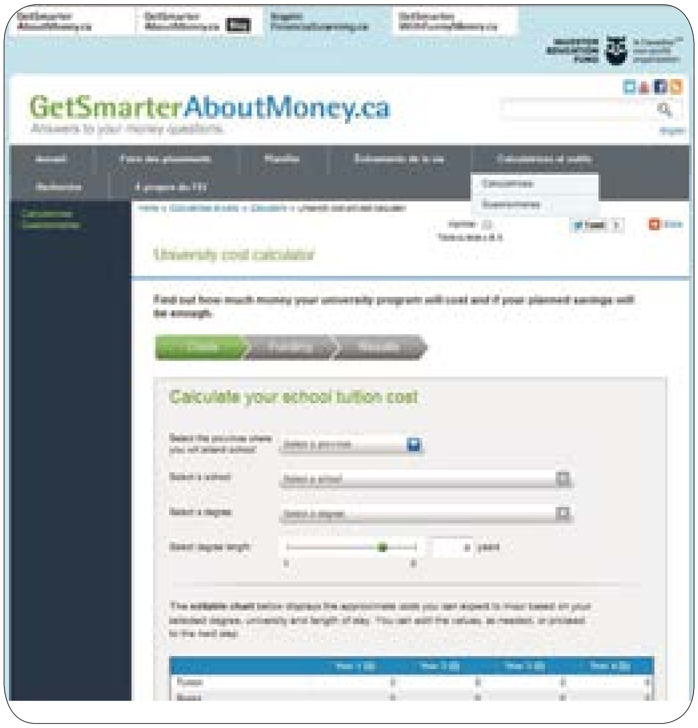
11 Student Debt Calculator

a) Show Slide 43, University cost calculator

b) Point out:

- This is a good tool to help you figure out the real cost of your student loan under different scenarios.
- Some students pay off their student loans with their credit cards. This is a bad idea! It makes no sense to use a high-interest loan to pay off a low-interest loan! If you have trouble making your student loan payments, speak to the loans officer or your financial institution.

Slide 43: University cost calculator



Participants' Handbook, **page 6 and 7**

c) Have participants go back to their budgets and add debt payments to their Fixed Expenses, if appropriate. Give them two minutes to do this.

Participants' Handbook, **page 20**

12 Credit report

a) Point out:

- Lenders and other financial institutions are interested in your credit history. They want to know how you have handled credit in the past to determine how well you are likely to handle it in the future.
- There are two main documents they use: your credit report and your credit score.
- Canada's two main credit bureaus, TransUnion and Equifax, keep a record of how much credit you have taken out and how consistently you pay your bills. This is called your credit report. They issue credit reports based on your credit report.
- You should get a copy of your credit report every year and correct any mistakes.

13 Credit score

a) Point out:

- Your credit score is a rating of your financial health at a specific point in time. It indicates the risk you represent for lenders, compared with other consumers. The higher your score, the lower the risk.
- Lenders use your credit score to determine whether to loan you money and to set the interest rate you will pay.
- You can get your credit score through Canada's two credit bureaus, TransUnion and Equifax.
- If you're planning to apply for a mortgage, you should check your credit score in advance and do what you can to improve it.
- FCAC's publication Understanding Your Credit Report and Credit Score explains what your credit report and credit score are, why they're important, and how to get them for free. This publication is listed in your handbook on page 20.

14 Credit report and credit score quiz

a) Show Slides 44 through 46, Credit report quiz.

TIP: To save time, do the quiz verbally. As you go through the questions, ask for a show of hands for each choice, then reveal and discuss the correct answer.

Slide 44

Getting a copy of your credit report is:

a) A good way to check for identity theft
b) The only way to know if your report is accurate
c) Free of charge, if you request the report be sent to you by mail
d) All of the above.

Answer: d). Checking your credit report is not only a good way to check for identity theft; it is also the only way you can be sure that your report is accurate.

Slide 45

If you have applied for several credit cards or other forms of credit within a short period of time, this could have a negative impact on your credit score.

True or false?

Answer: True. According to one credit reporting agency, research shows that consumers who are seeking new credit accounts are more of a risk than consumers who aren't trying to obtain credit.

Slide 46

Which of the following does *not* affect your credit score?

a) Your payment history – whether you have ever missed a debt payment
b) Any collection of bankruptcy that has been recorded against you
c) Your history of repaying informal loans from family or friends
d) Any outstanding debts you have
e) Your account history – how long you have had credit, and the type of credit you have

Answer: c). Informal loans do not affect your credit report, unless they result in a court judgment or a lawsuit against you — in which case, the resulting judgment may appear on your credit report.

15 Debt danger signals

a) Show Slide 47: Recognize the danger signals.

b) Point out that these are signs that you have problems with debt and should speak to a credit counselor or your financial institution for assistance.

c) Point out that this checklist is included in the handbook for future reference.

Slide 47: Recognize the danger signals

- You use your credit cards as a necessity instead of a convenience.
- You use credit or cash advances for your daily living expenses.
- You miss payments or due dates.
- You're near the credit limit on most of your cards.
- You borrow from one card to pay another.
- You transfer balances every few months just before the introductory offer expires.

16 Summary

a) Show Slide 48: Take control of your debt.

b) Explain that a consolidation loan means getting one single loan to pay off all your existing debts so you have just one payment to make. For the consolidation loan to save you money, it must have a lower interest rate and a lower monthly payment than all the other loans put together. It is also important to stop using any credit cards that you consolidated into the new loan.

Slide 48: Take control of your debt

- Use savings to pay off balances.
- Pay down your highest interest rate debts first.
- Switch to less expensive credit cards.
- Call creditors to negotiate lower interest rates.
- Start automatic/online bill payment to stay on schedule.
- Leave your credit card at home.
- Avoid “buy now, pay later” offers.
- Get a consolidation loan to make one low-interest payment.

Participants’ Handbook, **page 22**

17 Three options for getting help with debt

a) Point out that if you run into trouble with debt, there are three steps you can take:

- Credit counseling: you will be put on a debt management program (average duration is 4 to 5 years)
- Consumer proposal through a bankruptcy trustee (average duration to discharge is 4 to 5 years)
- Bankruptcy (can be discharged in 1 to 2 years)

b) Point out that all of these will affect your credit score, but they may be necessary. As a first step, visit the Office of the Superintendent of Bankruptcy Canada (OSB) Website: www.osb.gc.ca.

18 Where to get more information on credit and debt

a) Direct participants to page 22 in their handbooks.

- FCAC Credit Card Selector Tool and Payment Calculator
  ⏩ www.fcac.gc.ca, under For consumers and Resources, click Tools and calculators and select Credit Card Tools
- FCAC Publication: Choosing the Right Credit Card for You
  ⏩ www.fcac.gc.ca, under For consumers and Resources, click Publications and select Credit Cards
- FCAC Publication: Understanding Your Credit Report and Credit Score
  ⏩ www.fcac.gc.ca, under For consumers and Resources, click Publications and select Budgeting and Money Management

- FCAC Tip sheet: How to Beat that Debt
  ⏩ www.fcac.gc.ca, under For consumers and Resources, click Publications and select Budgeting and Money Management
- FCAC Life event: Paying for post-secondary education
  ⏩ www.fcac.gc.ca, under For consumers and Life events
- IEF Credit Cards and Debt
  ⏩ www.GetSmarterAboutMoney.ca, under Tools & Calculators, click Calculators, under Credit Cards and Debt
- IEF Credit IQ Quiz
  ⏩ www.InspireFinancialLearning.ca, under Tools and Videos, click Interactive Tools, under Quizzes
- Office of the Superintendent of Bankruptcy Canada
  ⏩ www.osb.gc.ca
- Credit Canada - Debt calculator
  ⏩ www.creditcanada.com, under Money Management, select Debt Calculator
- How to get lower credit card interest rates (CBC report by Reg Sherren)
  ⏩ www.youtube.com, search for CBC credit card rates
- How can I get out of debt? (Larry Winget on the Today Show)
  ⏩ www.youtube.com, search for Larry Winget on the Today Show

Big idea: Pay yourself first. Save regularly and start early. There are many savings and investment vehicles to choose from, so do your homework and get good advice.

1 Quote on saving

a) Share this quote about saving, from Investor Education Fund, Teacher Resources, Saving and Budgeting:
"Building wealth is like filling a sink with water – you turn on the tap and plug the sink. The stronger the stream of water from the tap, the faster the sink fills. However, if the plug leaks, the water drains out. The sink fills fastest when the tap is on full and the drain is plugged or has a slow leak. It's the same with wealth-building. You accumulate savings most quickly when you maximize your earnings and limit your spending (expenditures)."

b) Point out that we've already talked about plugging the leaks – that is, curbing your spending – and now we'll talk about what to do with that rising reservoir!

Participants' Handbook, **page 23**

2 Reasons to save

a) Ask participants how many different reasons they can think of for saving.

b) Ask participants how many of them save regularly, and whether they do so automatically (for example, through direct debit) or by putting money into savings themselves.

c) Show Slide 50: Why save for the future?

Slide 50: Why save for the future?

- Feel more secure and in control.
- Be prepared for emergencies.
- Reduce stress and conflict.
- Spend with less guilt or fear.
- Afford major purchases.
- Pay off debt and avoid new debt.
- Retire comfortably.

3 Savings goals

a) Remind participants about the statistic we learned at the beginning of the workshop: that Canadians on average are currently saving only five percent of their income.

b) Point out that one of the reasons people aren't saving is that they don't have specific goals, so they aren't motivated to save.

c) Show Slide 51, Make your goals specific.

Slide 51: Make your goals specific

- Set a dollar amount and deadline.
- Break your goal into smaller goals.
- Write down your goal and post it where you can see it every day.

d) Share these examples of savings goals:

- A vague, not very useful goal: "Get rid of debt and save some money for a rainy day."
- An achievable goal: "Eliminate credit card debt of $1,600 and build an emergency fund of $2,000 by saving at least $3,600 by [date]."
- A smaller goal: Save $200 a month, or $100 every two weeks, rather than saving $2,600 in a year.

e) Ask participants to take another look at the goal they wrote down at the beginning of the workshop and try to make it more specific.

f) Ask if anyone is willing to share their re-stated goal. Have participants make suggestions to revise the wording to ensure it is specific and achievable.

Participants' Handbook, **page 24**

4 Four steps to savings

a) Show Slide 52: Four steps to savings.

Slide 52: Savings

- Set up an emergency fund.
- Pay yourself first.
- Make savings automatic.
- Grow your savings.

5 Set up an emergency fund

a) Point out:

- The first thing to do is to set up an emergency fund.
- Save 3 to 6 months' worth of take-home pay.
- This is what you'll rely on if you lose your job, get sick or have unexpected expenses.
- Keep the money in a separate savings account or in an easily cashable investment, such as a Canada Savings Bond.
- Don't rely on credit cards, bank loans or personal lines of credit for an emergency – and don't spend your emergency fund on non-emergency expenses.

6 Pay yourself first

a) Point out:

- You may have heard the phrase “Pay yourself first”; it means to set aside your savings before you spend on other things.
- Treat savings like any other recurring bill that you must pay each month.
- Put a set amount of money away every paycheque without thinking about it.
- This avoids failure if you rely solely on budgeting and hope that something will be left over at the end of the month.

7 Make savings automatic

a) Point out that the way you pay yourself first is by making savings automatic.

b) Show Slide 53, Make your savings automatic.

Slide 53: Make your savings automatic

- Set up direct debits from your bank account or paycheque.
- Save 5% to 10% of your take-home pay.
    - o If you earn $2,000 a month after tax:
        - o Saving 5 percent = $100 a month = $1,200 a year.
        - o Saving 10 percent = $200 a month = $2,400 a year.
- Extra money (from gifts, tax refunds, etc.) or a raise? Save it.

8 The power of compounding

a) Point out that, once you get into the savings habit, there are two key things you must do:

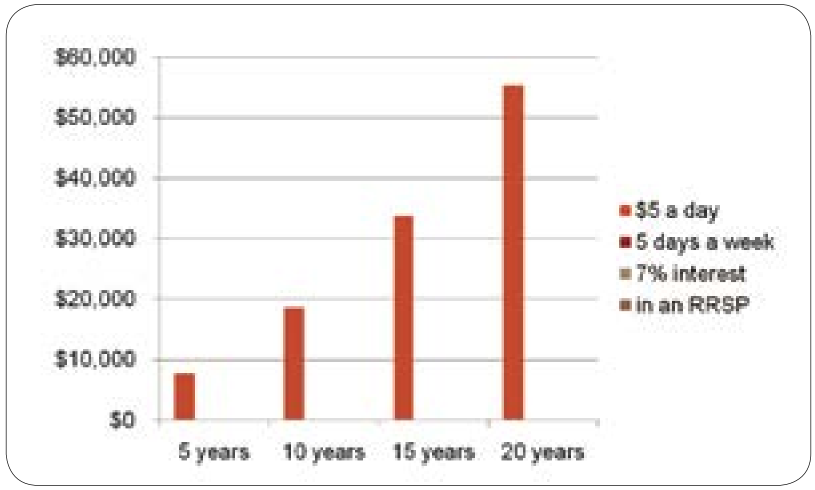
- Leave the money there!
- Get the best interest rate you can.

9 Compound interest

a) Define compound interest: interest that's paid on the initial deposit, and also on any interest that's been earned in previous periods.

b) Show Slide 54: Compounding makes your money grow. Point out that 7% is an exceptionally high rate of interest these days but the principle is the same whatever the rate.

Slide 54: Compounding makes your money grow



10 Case study: Amy and Amanda

a) Show Slide 55, Amy and Amanda.

b) Explain that they are twin sisters, and their example shows the importance of starting to save early.

c) Point out the differences in when Amy and Amanda started saving and how much they saved in all.

Slide 55: Amy and Amanda

Actions	Amy	Amanda
Starts saving at:	20	30
Puts $1,000 a year into her RRSP to age:	34	64
Total she saved:	$15,000	$35,000

d) Ask the class: If both sisters received an interest rate of 6%, what will they have by their 65th birthdays? Who will have more?

e) Show Slide 56: At age 65.

f) Point out that Amanda actually contributed $20,000 more than Amy did, but Amy ends up ahead by more than $23,000 thanks to the magic of compound interest.

Slide 56: At age 65

Actions	Amy	Amanda
Total she earns at age 65:	$141,700	$116,100

Conclusion:

- Start saving as soon as possible (the sooner the better)
- Save as long as you can (for a long period of time)

11 Rule of 72

a) Point out that the Rule of 72 is a handy way to see how many years it will take to double your money with compound interest. The formula is: divide the rate of interest into 72 to see how many years it takes to double your money.

b) Show Slide 57: Rule of 72.

Slide 57: Rule of 72

Interest rate	Your money doubles in:
2%	36 years
4%	18 years
6%	12 years
8%	9 years
10%	7.2 years
12%	6 years

c) Discuss this example:

- Say you are saving for a $20,000 down payment on a condo and you are starting with $2,000.
- At an interest rate of 4%, it will take 18 years for the $2,000 to grow into $20,000.
- At an interest rate of 10%, it will take just over 7 years.
- Since interest rates are so low these days, this is a good argument for starting early!

Participants’ Handbook, **page 25**

12 Grow your savings

a) Point out:

- Once you get into the savings habit and you’ve got a pool of money set aside, you need to put your money to work to grow your savings.
- That is what we call investing.
- There are many different investment vehicles, and we’ll look at some of those in a moment.

13 Risk and return

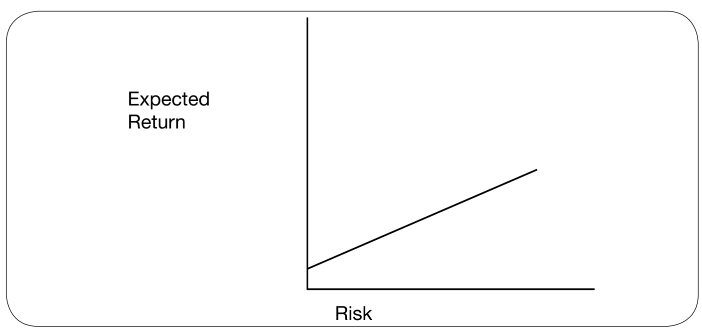
a) Show Slide 58: Risk and return.

b) Use the graph to show the direct relation between risk and return.

c) Point out:

- Every investment comes with the risk that you may not make any money or even lose your investment, and also comes with an expected return, usually in the form of interest or dividends or capital gains.
- You cannot get a high return with low risk.

Slide 58: Risk and return



Participants' Handbook, **page 26**

14 Four types of investments

a) Point out that there are many different investment vehicles but that, for the sake of simplicity, we can group them into four categories.

b) Show Slide 59: Four types of investment.

Slide 59: Four types of investments

- Investments that pay interest (savings accounts, CSBs, GICs, etc.)
- Shares in a company (stocks, mutual funds that invest in stocks, etc.)
- Property (real estate, art, precious metals, etc.)
- Direct investment in a business

15 Savings and investment vehicles

OPTIONAL: If you need to save time, you can skip steps 16 through 21. Tell the participants that there is information on several types of investment, including savings accounts, Canada Savings Bonds, guaranteed investment certificates, stocks and mutual funds, in their handbooks, as well as resources for more information on these and many others.

a) Point out:

- There are many savings and investment vehicles.
- Some are short-term and some are long-term.
- They have varying levels of risk and varying rates of return.
- That's why you need to be clear about what your investment goals are, when you will need the money, how much risk you are comfortable with, etc.
- It's important to diversify: that is, to spread your money among several different types of investment. This reduces your risk of losing money in case one investment does poorly.
- In general, for accounts, deposits and savings bonds, you can compare rates and fees and make your own investment decision.
- For other products, talk to a licensed investment advisor.

16 Savings accounts

a) Point out that institutions pay different rates of interest on their savings accounts, so you need to shop around to find the account with the best rate and the best features for you.

b) Show Slide 60: Savings Account Selector Tool, and point out that this takes you through a three-step process for choosing the right bank and savings account to meet your needs.

Slide 60: Savings Account Selector Tool

17 Canada Savings Bonds

a) Point out that Canada Savings Bonds are a good choice if you want a guaranteed return and are willing to wait to cash them in until they mature.

b) Show Slide 61: Canada Savings Bonds.

Slide 61: Canada Savings Bonds

- Available from early October to December each year
- Opt for regular or compound interest
- Buy online, where you bank or invest, or at your workplace through payroll deduction
- Canada Savings Bonds:
  - Cashable any time, but no interest paid if cashed within first 3 months
- Canada Premium Bonds:
  - Cashable only once a year but pay more

Participants' Handbook, **page 27**

18 Guaranteed Investment Certificates

a) Point out that Guaranteed Investment Certificates are another guaranteed investment but you must leave it invested for a set period.

b) Show Slide 62: GICs.

Slide 62: GICs

- Your money is locked up for a period of time, ranging from less than 1 month to 10 years.
- Generally, the longer the term, the higher the rate of interest.
- Traditional GICs: principal and return are guaranteed.
- "Market-linked" GICs: principal is guaranteed, but returns are linked to a stock market index, so they fluctuate.
- You can also get cashable GICs; more flexible but with lower rates.

19 Stocks

a) Point out that stocks potentially offer a greater bang for your buck than savings accounts, CSBs and GICs – but the bang can go both ways!

b) Show Slide 63: Stocks.

Slide 63: Stocks

- Shares in a company; you are partial owner of the company.
- Share prices and returns can be positive or negative.
- No guarantee of income: you could lose your whole investment.
- Traded on stock exchanges or over-the-counter markets.
- Stocks have outperformed other investment options by a wide margin over periods of 10 years or more.

Participants’ Handbook, **page 28**

20 Mutual funds

a) Explain:

- Mutual funds are an investment product in which your money is pooled with the money of many other investors.
- A professional fund manager invests the pool of money in a variety of vehicles, depending on the fund’s specific objectives.
- There are funds that invest in specific markets or geographical sectors, while others invest in bonds, blue chip companies or small company stocks.
- There are also “green” funds that invest only in environmentally friendly companies.

21 Benefits of mutual funds

a) Show Slide 64: Why invest in mutual funds?

Slide 64: Why invest in mutual funds?

- Professional management
- Diversification: your money is spread over several investments
- Ease of access: you can generally sell any time
- Readily available through most financial institutions

b) Point out:

- Funds may have restrictions on when you can redeem your units, and there may be various fees depending on when you redeem (and other factors).
- Fees may significantly reduce your earnings.
- Most mutual funds are outperformed by the market after fees are taken out. Exchange-traded funds, which mimic the market and are less expensive, outperform most mutual funds.
- When you purchase mutual funds and stocks, the salesperson must fill out an account application form (also called the Know Your Client form). This requires the salesperson to ask you questions about yourself, your risk tolerance, your investment goals, etc. Ask for a copy for your records.

Participants' Handbook, **page 29**

22 Risk and return activity

a) Have the participants turn to page 29 in their handbooks and to read the information.

23 Finding a financial advisor

a) For larger, long-term investments, it's wise to talk to a licensed financial advisor.

b) Show Slide 65: Questions to ask a prospective financial advisor.

c) Point out that there are resources on choosing a financial advisor in the participants' handbooks.

Slide 65: Questions to ask a prospective financial advisor

- What is your background, experience and track record?
- Is your firm registered with a securities commission or other formal body?
- What can you do for me? Provide advice only, sell products, help me build a financial plan?
- What products do you sell?
- How do you get paid?
- How do you work with your clients?
- Can you provide references?

Participants' Handbook, **page 30**

24 The three "knows"

a) Point out that when it comes to investing, there are three main things you need to know.

b) Show Slide 66: The three knows.

c) Point out:

- Knowing these things will help you make good investments, and avoid risks you are not willing to take.
- You should get professional advice, but you also have to do your own homework.
- There is an extensive checklist in the handbook with questions to ask yourself about each of the three "knows."

Slide 66: The three knows

- Know yourself: your investment goals and timeline, your risk tolerance.
- Know your investment: is it right for you?
- Know your advisor.

25 Working with a financial advisor

a) Point out that there are three levels of involvement you can have with a financial advisor:

- Participate
- Delegate
- Abdicate

b) Participate is best!

Participants' Handbook, **page 33**

26 Tax-sheltered savings plans

a) Point out that there are several registered savings plans that allow you to shelter some income from taxes payable while setting money aside for specific purposes.

b) Show Slide 67: Registered tax plans, and discuss what they enable you to do.

Slide 67: Registered tax plans

- Tax-Free Savings Accounts (TFSAs): earn income from investments without paying taxes on the income
- Registered Retirement Savings Plans (RRSPs): defer paying income tax until retirement
- Registered Education Savings Plans (RESPs): shift the tax to a student
- Registered Disability Savings Plans (RDSPs): shift the tax to someone with a disability

c) Point out:

- These plans are not investments themselves. Think of them as filing cabinets. They're secure receptacles where you store different kinds of investments. They help you minimize the taxes you pay. You pay tax on the earnings only when you pull an investment out of a drawer (except for TFSAs).
- The plans allow you to withdraw certain sums of money tax-free for certain purposes. For example:
  - You can withdraw up to $20,000 tax-free from your RRSP for a house down payment under the home buyer's plan.
  - You can withdraw up to $10,000 tax-free from your RRSP to finance education for you and your spouse under the lifelong learning plan.
  - However, you have to repay these withdrawals back into your RRSP or pay extra taxes each year to compensate for the withdrawals.
- A TFSA is an essential plan to have, even if it is just used for everyday banking.
- Get expert advice on the best plan for you and how to manage the funds you save there.

Participants' Handbook, **page 34**

27 Where to get more information on saving and investing

a) Direct participants to page 34 in their handbooks.

- FCAC Savings Account Selector Tool
  ⏩ www.fcac.gc.ca, under For consumers and Resources, click Tools and calculators and select Banking Tools
- FCAC Life event: Planning your retirement
  ⏩ www.fcac.gc.ca, under For consumers and Life events
- IEF Retirement cash flow planner
  ⏩ www.GetSmarterAboutMoney.ca, under Tools & Calculators, click Calculators, under Retirement Planning
- IEF Pay down debt or invest calculator
  ⏩ www.GetSmarterAboutMoney.ca, under Tools & Calculators, click Calculators, under Investing

- IEF Mutual fund fee calculator
  ⏩ www.GetSmarterAboutMoney.ca, under Tools & Calculators, click Calculators, under Investing
- IEF Compound interest calculator
  ⏩ www.GetSmarterAboutMoney.ca, under Tools & Calculators, click Calculators, under Budgeting and Savings
- IEF Case study: Build Your Savings Faster: Dominic's Story
  ⏩ www.GetSmarterAboutMoney.ca, under Planning, click Case studies, under Tax-Free Savings Accounts
- IEF Case study: RRSP or TFSA? Tia's story
  ⏩ www.GetSmarterAboutMoney.ca, under Planning, click Case studies, under Tax-Free Savings Accounts
- IEF Case study: Planning your RRSP contributions: Gary, Kevin and Judith's story
  ⏩ www.GetSmarterAboutMoney.ca, under Planning, click Case studies, under Registered Retirement Savings Plans (RRSPs)
- IEF Videos on benefits of investing in your early years
  ⏩ www.GetSmarterAboutMoney.ca, under Tools & Calculators, click Videos, select Investing
- IEF Videos on selecting a financial advisor
  ⏩ www.GetSmarterAboutMoney.ca, under Tools & Calculators, click Videos, select Financial advice
- Canada Savings Bonds
  ⏩ www.csb.gc.ca
- Description on investment types
  ⏩ www.yourmoney.cba.ca, click Overview, select Investing
- Canadian Securities Administrators
  ⏩ www.securities-administrators.ca, under Investor Tools, click Working with Advisers
- Ontario Securities Commission
  ⏩ www.osc.gov.on.ca
- Information on selecting a financial advisor:
  - Investor Education Fund video
    ⏩ www.GetSmarterAboutMoney.ca, Tools and Calculators, Videos, select Financial Advice
  - Canadian Securities Administrators
    ⏩ www.securities-administrators.ca, select Investor Tools, and click on Working with your Advisor
  - Ontario Securities Commission
    ⏩ www.osc.gov.on.ca

Big idea: Financial planning can help you reach larger or long-term goals.

Participants' Handbook, **page 35**

1 Difference between budget and financial plan

a) Point out:

- If you have a financial goal, it is helpful to develop a financial plan.
- A financial plan goes beyond a budget.
- A budget compares income with expenses and shows whether you have a surplus or a deficit.
- A budget is useful for managing your money over the short term.
- A financial plan is a road map to help you manage your finances over the longer term to reach your financial goal.

b) Show Slide 69: Budget and financial plan, and point out the differences.

Slide 69: Budget and financial plan

Budget	Financial plan
does not set out goals	states a goal
shows current income and current expenses	shows expected future income and expected future expenses
shows sources of income and allocation of expenses	shows how income and expenses will be organized over time to achieve objectives
doesn't include present or future assets	shows investments, savings and other assets that are available or will be generated or acquired
doesn't include debts, such as loans	shows loans that may be required
doesn't include steps to be taken	shows steps that will be needed to meet financial goals

Participants' Handbook, **page 36**

2 Benefits of a financial plan

a) Show Slide 70: How can a financial plan help you?

Slide 70: How can a financial plan help you?

- Minimize your taxes.
- Cover insurance needs.
- Buy a home and pay off the mortgage quickly.
- Fund your children's education.
- Optimize employee benefits and pensions.
- Save and plan for retirement.
- Fund long-term health issues.
- Care for elderly parents.
- Manage estate planning and how to transfer wealth in families.

3 Get a financial planner

a) Point out:

- For complex financial planning, you should get a qualified financial planner.
- Some financial planners can help you with long-term financial planning as well as with investment advice.
- To find a certified financial planner, you can contact the Financial Planners Standards Council. Their contact information is in your handbook.
- Remember that a financial plan is a living document. You need to revisit it and update it regularly as your circumstances change.

Participants' Handbook, **page 37 to 40**

4 Simple financial plan

a) Point out that your goal may be to buy a house or condo, start a business, pay for your education or your children's education, or pay off your debt. Whatever it is, you need to plan for it.

b) Show Slides 71 through 74. Explain that this is an example of a financial plan that you could use to organize your finances to meet a specific goal.

c) Don't attempt to fill in the numbers; just explain what the different parts of the financial plan are, and how they fit together.

Slide 71

My financial plan

1. What do I want to do?

My financial goal is to:

Total amount needed for this goal:		A

2. What will I be starting out with?

Assets

My savings		
My investments		
My other assets		
My scholarships/bursaries		
My participant loans (the money I'll get)		
RESP in my name		
Contributions from family and friends		
Other		
My total assets		B

Debts

My credit card balances		
My participant loans (the money I'll owe)		
My car loan		
My bank or other loans		
My other debts (money owed to family and friends)		
My total debts		C

My net worth (total assets minus total debts)		D=(B-C)
Needed to reach my goal (Total needed minus net worth)		E=(A-D)

Slide 72

3. What will my yearly income be?

Tip: Don't include scholarships, bursaries, loans, gifts or similar one-time receipts of money. List them as Assets in Part 2.

Income after deductions	
Income from investments or other sources	
On-going financial support from family	
Total Yearly Income	F

4. What will my yearly expenses be?

Fixed	
Housing	
Car payments	
Other loan payments	
Insurance	
Car	
Home or contents	
Other (e.g.: travel medical)	
Utilities (electricity, gas)	
Telecommunications (cable, Internet, telephone, cellphone)	
Other	
Total fixed expenses	$

Variable	
Food	
Groceries	
Eating out	
Household (cleaning, maintenance, furniture)	
Computer (hardware, software, accessories, supplies)	
Health care (medical insurance, dental, glasses/lenses, medications)	
Childcare	
Pets	
Transportation	
Car (gas, maintenance, repairs)	
Public transit	
Clothing	
Personal care (toiletries, hair care, make-up, laundry, etc.)	
Recreation (movies, games, music, DVD/videos, clubs, concerts, sports, etc.)	
Travel	
Gifts and charitable donations	
Education, lessons, etc.	
Tuition, fees	
Books, supplies	
Other	
Savings	
Total variable expenses	$

Total yearly expenses	G

Slide 73

5. Will I have enough money to meet my goals?

Income	from F		
Expenses	from G		
Difference			H

If the difference is a positive number, you can add it to your savings.

Savings available to meet my goal:	from H (if positive)		I
Years required to meet my goal:			J

If the difference is a negative number, or if the time needed to reach your goal is too high, you have a few options:

1) Cut back! Reduce your expenses and adjust Step 4.

2) Push on! Work more to earn more money and adjust Step 3.

3) Use your resources! Try the funding strategies in Step 6.

6. What can I do to get the extra money I need?

	Amount	
Use the assets listed in Step 2		
Ask family for support		
Use my scholarships and bursaries		
Use my participant loan		
Use my savings		
Use my RESPs and other investments		
Earn additional income in part-time or full-time employment		
Earn income from self-employment		
Apply for additional scholarships, bursaries or participant loans		
Apply for a bank loan or line of credit		
Total	$	K

Years required ro meet my goal now:		L

Tip: If your resources are greater than your excess expenses, decide which resources you'll use first.

Slide 74

7. What could go wrong?

Use this checklist to think ahead about possible problems and how you'd solve them.

How will I make sure I don't miss any important dates and deadlines?

What will I do if the cost of tuition or some of my other expenses go up a lot?

What will I do if I don't meet my savings goal?

Do I have an emergency fund for unplanned expenses?

Do I have enough insurance?

How will I make money if my job falls through or if I am sick?

Who can I call for emergency advice if things don't work out?

What other problems might come up?

8. How do I keep my plan up-to-date?

To keep my plan up-to-date, I will:

I'll review it and revise it on [date] ____________ of each year.

5 Where to get more information on financial planning

a) Direct participants to page 41 in their handbooks.

- Resources on finding a financial planner, questions to ask your planner, etc.
  - o Choosing An Advisor
    ⏩ www.GetSmarterAboutMoney.ca, Planning, Getting Advice
  - o The Financial Planning Standards Council
    ⏩ www.fpsc.ca/find-cfp
  - o The Financial Advisors Association of Canada
    ⏩ www.advocis.ca, select For the Public and click Find an Advisor

- IEF Retirement planning
  ⏩ www.GetSmarterAboutMoney.ca, under Planning, select Retirement planning

Big idea: Be alert and take steps to protect your identity and your finances.

Participants' Handbook, **page 42**

1 The incidence of identity theft

a) Show Slide 76: Identity theft statistics.

b) Point out that these figures are from 2006, and that identity theft is only becoming more prevalent and damaging.

c) Explain that phishing is when fraudsters send you emails claiming to be legitimate that ask you to enter your bank or other account data.

Slide 76: Identity theft statistics

In 2006:

- 4 million North Americans fell victim to identity fraud
- Average loss to identity fraud: $1,086
- Average loss per phishing attack : $1,244
- Scholarship and loan scams: more than $100 million
- Average loss from a scholarship or loan scam: $263

[Source: http://www.fraudcast.ca/index.php]

Participants' Handbook, **pages 42 and 43**

2 A world of scams

a) Show Slides 77 through 80.

b) As you go through each slide, ask participants if they've ever seen scams like these.

c) Ask participants if they've been victims of scams like these. Discuss what they had to do to clear their names and get their finances in order.

Slide 77

Transfer of fund scam

THE SOURCE OF THIS FUND IS AS FOLLOWS; DURING THE LAST MILITARY REGIME HERE IN NIGERIA, THE GOVERNMENT OFFICIALS SET UP COMPANIES AND AWARDED THEMSELVES CONTRACTS WHICH WERE GROSSLY OVER-INVOICED IN VARIOUS MINISTRIES. THE PRESENT CIVILIAN GOVERNMENT SET UP A CONTRACT REVIEW PANEL AND WE HAVE IDENTIFIED A LOT OF INFLATED CONTRACT FUNDS WHICH ARE PRESENTLY FLOATING IN THE CENTRAL BANK OF NIGERIA READY FOR PAYMENT.

HOWEVER, BY VIRTUE OF OUR POSITION AS CIVIL SERVANTS AND MEMBERS OF THIS PANEL, WE CANNOT ACQUIRE THIS MONEY IN OUR NAMES. I HAVE THEREFORE, BEEN DELEGATED AS A MATTER OF TRUST BY MY COLLEAGES OF THE PANEL TO LOOK FOR AN OVERSEAS PARTNER INTO WHOSE ACCOUNT WE WOULD TRANSFER THE SUM OF US$21,320,000.00(TWENTY ON MILLION, THREE HUNDRED AND TWENTY THOUSAND U.S. DOLLARS). HENCE WE ARE WRITING YOU THIS LETTER. WE HAVE AGREED TO SHARE THE MONEY THUS; 1. 20% FOR THE ACCOUNT OWNER. 2. 70% FOR US (THE OFFICIALS) 3. 10% TO BE USED IN SETTLING TAXATION AND ALL LOCAL AND FOREIGN EXPENSES. IT IS FROM THE 70% THAT WE WISH TO COMMENCE THE IMPORTATION BUSINESS.

PLEASE, NOTE THAT THIS TRANSACTION IS 100% SAFE AND WE HOPE TO COMMENCE THE TRANSFER LATEST SEVEN (7) BANKING DAYS FROM THE DATE OF THE RECEIPT OF THE FOLLOWING INFORMATION BY TEL/FAX; 234-1-7740449, YOUR COMPANY'S SIGNED, AND STAMPED LETTERHEAD PAPER THE ABOVE INFORMATION WILL ENABLE US WRITE LETTERS OF CLAIM AND JOB DESCRIPTION RESPECTIVELY. THIS WAY WE WILL USE YOUR COMPANY'S NAME TO APPLY FOR PAYMENT AND RE-AWARD THE CONTRACT IN YOUR COMPANY'S NAME.

Slide 78

Lottery scams

UK-LOTTO Headquarters:
Customer Service
580 N. Tenth Street, CA 85914
Arena Complex Km 18 Route de Rufisque
I.P.P. Award Dept.
Johannesburg, South Africa.
Ref: UK/9420X2/68
Batch: 074/05/ZY369

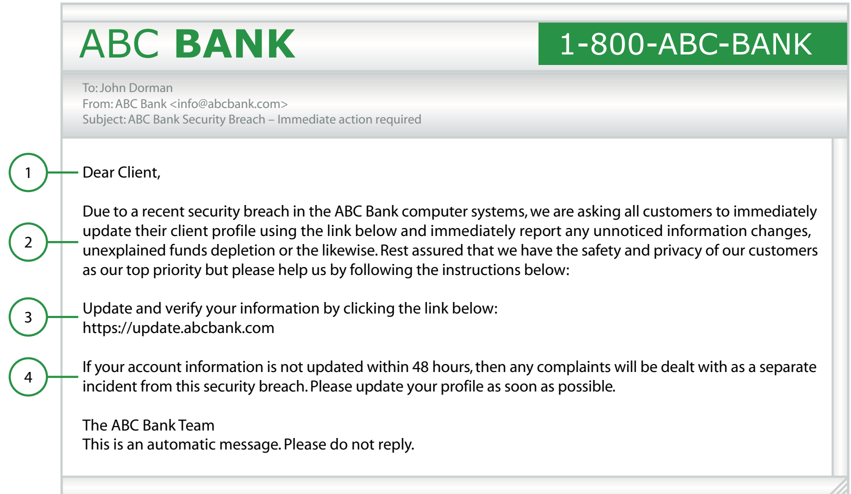
WINNING NOTIFICATION:

We happily announce to you the draw of the UK-LOTTO Sweepstake Lottery International programs held on the 27^{th} of February, 2004 in Johannesburg, South Africa.
Your e-mail address attached to ticket number: 564 75600545 188 with serial number 5368/02 drew the lucky numbers: 19-6-26-17-35-7, which subsequently won you the lottery in the 2^{nd} category.

You have therefore been approved to claim a total sum of US$2,500,000.00 (Two Million, Five Hundred Thousand United States Dollars) in

Slide 79

Phishing emails and phony Web pages



ABC **BANK** 1-800-ABC-BANK

To: John Dorman
From: ABC Bank <info@abcbank.com>
Subject: ABC Bank Security Breach – Immediate action required

1 Dear Client,

2 Due to a recent security breach in the ABC Bank computer systems, we are asking all customers to immediately update their client profile using the link below and immediately report any unnoticed information changes, unexplained funds depletion or the likewise. Rest assured that we have the safety and privacy of our customers as our top priority but please help us by following the instructions below:

3 Update and verify your information by clicking the link below:
https://update.abcbank.com

4 If your account information is not updated within 48 hours, then any complaints will be dealt with as a separate incident from this security breach. Please update your profile as soon as possible.

The ABC Bank Team
This is an automatic message. Please do not reply.

Recognizing Phishing Emails

1. Phishing emails often begin with a generic greeting such as "Dear Client" rather than addressing you by name.
2. Some emails will refer to a "problem" with your account and urge you to access a link to verify your information. **Financial Institutions will never notify you of a problem through an unsolicited email.**
3. Many emails have links that look valid but lead to a fake website. Here’s a tip: move your mouse over the link in the email until a small box appears with the URL (web address). If the web address in the box is different from what you see in the email, the link may lead to a fake site. Do not click on this link.
4. There is often a sense of urgency in the email encouraging you to respond immediately.

Slide 80

Items for sale-overpayment scam

Hello Mr. (edited to protect identity)

Good to hear from you and thanks for the mail, my client who said he’s interested in your vehicle has promised to be buying it and will be issuing a certified cashier’s cheque of $32, 500 and you deduct the amount of your vehicle which is $24, 000 after which you will send the difference $8,500 via Money Gram money transfer to my P.A. here in Europe to settle our shipper to book us for their cargo and also pay for the insurance, she would be comming over to your place to pick the vehicle up and get it transported to the Europe and also to sign all require documents.

To bring to your attention, it only takes (24HRS) for the certified cashier’s cheque to get in the US, so I will like you to get the cheque cashed the same day it’s presented on the counter and I will also like to know if I can count on you to send the difference of the money to my P.A. as soon as the cheque get to you and verified. To make things fast and convenient for the both us, I will like you to give me the exact name you want on the check...Your mailing address...(Street, City, State and zip code) and your Phone # so I can forward it to my associate, so he could start with the procurement of the cheque and won’t mind to engage is a long lasting business relationship.

Thanks and hope to hear from you soon.

Best Regard,

Madida

[Source: http://netforbeginners.about.com/od/scamsandidentitytheft/ss/top10inetscams.htm]

Note: These examples are provided as is, some may contain grammatical or spelling errors which we are not responsible for.

Participants' Handbook, **page 44**

3 Employment scams

a) Point out that there are several types of employment scams, and the incidence is rising. The three most notorious types are:

- Being recruited for an illegal job. Many of these are work-at-home offers like the "reshipper." You are offered a good salary for receiving packages at your house and reshipping them overseas. You pay out-of-pocket to ship the packages overseas, you get paid with a fake cheque, and the packages were paid for with stolen and fake credit cards.
- Identity theft through job applications. Thieves request your personal information "for the human resources department" and use it to steal your identity.
- Bogus employment fees. Someone promises you a job, but only if you pay a fee for processing, administration or uniforms.

b) Show Slide 81: Signs of bogus job ads.

Slide 81: Signs of bogus job ads

- Offer considerable pay with few to no duties
- Promise payment of wages in cash
- Contain no physical address or contact person
- Require you to open a new bank account or accept company cheques to "test" a wire transfer service

Participants' Handbook, **page 45**

4 Tips for protecting your identity and your finances

a) Show Slides 82 through 84: Protect yourself. (See the speaking notes below expanded points on the slides.)

Slide 82: Protect yourself

- Don't share personal information freely.
- Destroy documents with personal information.
- Keep your wallet or purse safe.
- Don't carry ID you don't need (such as SIN).
- Lock your household mailbox if possible.

Slide 83: Protect yourself, cont.

- Limit the number of credit cards you hold.
- Check your credit report once a year.
- Make sure websites are secure before transmitting personal information.
- Delete emails that ask for personal information.
- Keep computer firewalls and spyware up-to-date.

Slide 84: Protect yourself, cont.

- Keep your computer passwords safe.
- Don’t give telemarketers personal information.
- Destroy old documents that contain identity information.
- Be skeptical – if an offer sounds too good to be true, it is!
- Save paper bank records for at least a year.

b) Expand on Slides 82 to 84 with these points:

- Share your personal information only with companies you know and trust.
- Burn or shred any mail or financial papers containing your personal information. Never recycle them.
- Keep your wallet or purse out of reach in public places, crowds and while on public transportation.
- Don’t carry ID you don’t need with you.
- Lock your household mailbox if possible. If you are going to be away, ask a trusted neighbour to pick up your mail or arrange for Canada Post’s hold mail service.
- Limit the number of credit cards you hold, and inspect your financial statements each month.
- Keep your credit card limit down so thieves can’t exceed that limit if they get your card.
- Keep a separate credit card with a low credit limit for online purchases.
- Check your credit report once a year.
- Make sure any website you are using is secure before transmitting personal information.
- Delete any email that asks for personal information.

- Ensure that your computer firewalls and spyware are up-to-date to protect stored personal information.
- Hang up on telemarketers who seem to be fishing for personal information, like your birthday.
- Destroy old documents that contain identity information, like driver's licenses.
- Be skeptical – if an offer sounds too good to be true, it is!
- Save paper bank records for at least a year so you can prove your account balance in the event of an ID fraud incident.

5 If you think you have been the victim of identity theft

a) Show Slide 85: What to do.

Slide 85: What to do

- Contact your financial institution immediately.
- Notify Canada's credit bureaus (Equifax Canada at www.equifax.ca and TransUnion Canada at www.transunion.ca).
- Contact the Canadian Anti-Fraud Centre
- Notify your local police as soon as you are aware of it.

Participants' Handbook, **page 46**

6 Where to get more information on identity fraud and protecting yourself

a) Direct participants to page 46 in their handbooks.

- FCAC tip sheets:
  - o Protecting your debit card and PIN
  - o Protecting yourself from credit card fraud
  - o Protecting yourself from fraudulent e-mails and telephone calls
  - o FCAC Tip sheets: Fraud
    ⏩ www.fcac.gc.ca, under For consumers and Resources, click Publications and select Fraud
- Know the red flags of fraud
  ⏩ www.securities-administrators.ca, under Investor Tools and select Avoiding Fraud
- Canadian Anti-Fraud Centre
  ⏩ www.antifraudcentre.ca

Summary and Wrap-up

Participants' Handbook, **pages 3, 6 and 7**

1 Revisit budget and financial goal

a) Ask participants to look at the budget they prepared earlier and the financial goal they wrote down.

b) Invite them to make adjustments based on what they have learned.

c) Ask for examples of adjustments they made or any conclusions they have drawn about their budget and their goal.

d) Ask if they feel better able to reach their goal.

Participants' Handbook, **page 47**

2 Summary of key learning

a) Ask participants what key messages and skills they have learned today.

b) Show Slide 87: What have we learned?

c) Ask participants if there are any other key messages they would like to add.

d) Ask participants if there is more information and skills they still need to learn.

Slide 87: What have we learned?

- Keep track of your income and your expenses in a budget.
- Save money by questioning your bills and reducing your "latte factor."
- Pay yourself first with automatic savings.
- Start an emergency fund.
- Shop around for the best banking accounts, credit cards and service plans.
- Pay all debts on time and in full, if possible.
- Set clear savings goals.
- Find a licensed financial advisor for long-term investment guidance.
- Use RRSPs and TFSAs to let your savings grow tax-free.
- Secure your identity and avoid identity theft.

Participants' Handbook, **page 48**

3 Keep up with financial literacy

a) Remind participants that financial fitness is like physical fitness – you've got to stick with it!

b) Refer participants to page 48 in their handbooks, and point out that this checklist can help them keep up their "financial fitness."

4 Ask for any more questions, and thank participants for coming

Financial Basics evaluation form

5 Ask participants to fill out the evaluation before they leave

Please send them to:

Financial Consumer Agency of Canada
Enterprise Building, 6th Floor
427 Laurier Ave. West
Ottawa, ON K1R 1B9

6 Please fill out the Presenter's Evaluation Form at

▸▸ www.fcac.gc.ca or www.ItPaysToKnow.gc.ca

- Click on Financial Literacy
- Click on Educational Programs
- Select Financial Basics
- Go to Evaluation Form Financial Basics

notes

notes

notes