Evaluating the Effectiveness of the Manage Your Money Program with Adult Male Offenders

by

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Abstract

Adult Education in correctional institutions is the number one tool for lowering rates of recidivism (Esperian, 2010). It is difficult to pinpoint what individual offenders will need in order to successfully reintegrate into society, though many studies found that financial problems are a pressing issue affecting offenders after release from an institution (Zamble & Quinsey, 1997). Enactus, a team of students and staff at St. Lawrence College, developed the Manage Your Money (MYM) program in 2009, which was modified to meet the specific needs of the correctional population. The MYM financial literacy program was provided during 2, 4-hour sessions with 10 participants in a minimum-security institution. The purpose of the study was to evaluate the effectiveness of the MYM program in increasing offenders’ financial literacy knowledge. All 10 participants completed four questionnaires: the Financial Capabilities Scale-Short Version, the Financial Attitudes and Behaviors Measure, the Manage Your Money Content Questionnaire, and the Participant Feedback Survey. Results from the measures identified the participants’ baseline levels of financial capabilities, financial attitudes in regards to money management, financial literacy knowledge acquisition, and areas of financial literacy that should be incorporated into the future delivery of the program. Although results from the paired sample t-test were found to be non-significant, 70% of the participants showed an increase in financial literacy skills ($z=-1.55$, $p=.122$) from pre ($M=18.44$, $SD=2.87$) to post test ($M=20$, $SD=2.54$). Results from the feedback survey show that participants found the information relevant, helpful, accessible, and essential to learn prior to being released into the community. In conclusion, the MYM program was found to be somewhat effective at teaching basic financial literacy skills to currently incarcerated adult males. Future recommendations for facilitating the MYM program include incorporating more guest speakers, increasing amount of active learning activities, and providing the course to offenders just prior to release from the institution.
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MANAGE YOUR MONEY

Chapter I: Introduction

Correctional Services Canada (CSC) aims to cultivate, implement, and deliver effective programs that are designed to help offenders take responsibility for their unlawful behaviours. The purpose of these interventions is to better prepare offenders to safely and successfully reintegrate into the community. By targeting necessary skills during incarceration, CSC aims to reduce recidivism and prepare inmates for life outside of the prison. CSC offers program streams that are directed towards men, women, aboriginal men, and aboriginal women. Upon entry into the correctional system, all offenders go through an initial Offender Intake Assessment (OIA) and the Correctional Plan framework at an intake facility prior to being transported to their permanent institution. The offender completes various assessments during the initial intake period. Assessments are based on seven dynamic criminogenic factors (Correctional Service Canada, 2015), which include marital/family, community functioning, personal/emotional orientation, attitude, employment, associates/social interaction, and substance abuse. Recent studies found that the programs offered through CSC reduced general recidivism by as much as 45% and violent reoffending by 63% (Correctional Service Canada, 2014). The offenders’ program needs are determined based on the preliminary assessments, and vary from low, moderate, and high-risk programming based on the likelihood that the offender would reoffend once released back into the community. Depending on their heritage, inmates will be placed into mainstream programming or the aboriginal stream of programming.

Financial literacy upholds relevance regardless of age or socioeconomic status. Being financially literate helps all Canadians to meet their financial commitments, buy the best products to meet their needs, plan for the future, understand how they benefit from government programs, assess their own financial situations, and maximize the use of resources that are available to them (Correctional Services Canada, 2010). Reich and Berman (2015) define financial literacy as the ability to attain necessary skills in order to manage personal finances, use financial services, and understand consumer markets efficiently. When offenders are released back into the community, they often struggle with poor financial management skills. Koenig (2007) found that most offenders had some level of financial difficulties during some part of their life before they were incarcerated, stemming from not knowing how to budget properly, not saving money effectively, and spending their money too rapidly. Many factors such as low income, debt, minimal budgeting skills, and lack of banking experience may all contribute to a lack of financial literacy knowledge in today’s offenders (Koenig, 2007).

Call, Dyer, Wiley, and Day (2013) suggest there is a significant gap in research regarding inmates’ perceptions of financial education. There is also a notable lack of resources for the offenders to utilize in order to strengthen their financial literacy knowledge within the correctional system. As the programs in place do not currently have a financial component, the inmates stated that they did not have much opportunity to increase their financial skills (Call et al., 2013). In addition, college classes offered throughout the prison are very limited and often have lengthy waitlists and offenders that would like to pursue post-secondary education while incarcerated have to pay to attend these courses or receive a bursary. Offenders will make a small amount of money each day, which can make paying for these courses challenging.

Manage Your Money (MYM) is a financial literacy program that has been developed in order to facilitate classes teaching financial fundamentals to offenders. The MYM program instructs incarcerated males how to effectively face financial responsibilities and develop
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financial independence. The program content covers topics such as: budgeting, banking, cost of living, and financial planning for the future. It is hypothesized that offenders will increase their financial literacy knowledge by participating in this program. The increase of financial literacy knowledge will be measured based on the content covered in the program. The program will be facilitated in an institution in order to assist the participants in increasing their financial literacy skills to promote successful re-integration into the community upon release and minimize the risk of reoffending.

The subsequent review of literature incorporates information regarding the importance of adhering to the Risk-Needs-Responsivity (RNR) model (Public Safety Canada, 2014), current institutional Adult Basic Education (ABE), the impact of financial literacy on everyday living, how financial literacy affects risk factors involved with recidivism, financial education needs within the inmate population, and lastly a summary of all relevant information and a description of the Manage Your Money Program. Succeeding the literature review, the method section will discuss the MYM program modules and the questionnaires utilized to collect pre- and post-test data. Following the method section, results from facilitating the MYM program will be examined, and finally there will be a discussion examining the overall results from facilitating the MYM program, the questionnaires, strengths, limitations, and future research recommendations.
Chapter II: Literature Review

Successfully reintegrating into the community post-sentence is difficult for offenders. They face challenges that exceed the experiences of most non-offenders when attempting to become productive members of society. Offenders must find stable housing, maintain employment, and become familiar with financial resources in their communities. Offenders must also open a bank account, pay bills, and maintain good credit standing; all obstacles they did not have while incarcerated. Some offenders are fortunate to receive additional assistance with finding accommodations when they receive a commercial release, which is when they are out on their statutory release date without residency conditions, but there are currently no rules in place to make sure that resources are available in every offender’s case. The amount of support received for housing and employment varies with the composition of the case management team. There is currently limited access to financial literacy courses within the correctional system for inmates to prepare themselves for these endeavors.

The subsequent review of literature incorporates information regarding the importance of adhering to the Risk-Needs-Responsivity (RNR) model, current institutional Adult Basic Education (ABE), the impact of financial literacy on everyday living, how financial literacy affects risk factors involved with recidivism, financial education needs in the general public, and lastly, financial education needs within the inmate population. This literature review will present relevant information pertaining to the important of incorporating financial literacy courses into offenders’ treatment, which supports running the MYM program within an institutional setting.

Importance of Adhering to the Risk-Needs-Responsivity (RNR) Model

The risk-needs-responsivity (RNR) model focuses on cognitive social learning theories of criminal conduct and may be the most dependable model when treating and assessing offenders (Public Safety Canada, 2014). The RNR theory identifies principles of successful correctional interventions, and within the RNR model, many different behavioural interventions can be utilized (Looman & Abracen, 2013). The RNR model focuses on three principles, the risk principle, which declares that criminal behaviours can be accurately predicted and that offenders with a higher risk of reoffending should be the focus during treatment. Secondly, the need principle emphasizes how imperative it is to focus on criminogenic needs during the implementation of treatment. Thirdly, the responsivity principle describes exactly how treatment should be implemented to inmates (Andrews & Bonta 2010). Public Safety Canada (2014) outlines two types of responsivity: general and specific. General responsivity emphasizes the use of cognitive social learning theories in order to influence inmate’s behaviour (Andrews & Bonta, 2010). Specific responsivity takes into account the personal strengths, personality, motivation, and learning style of each individual (Andrews & Bonta, 2010). The specific responsivity principle suggests that treatment needs to be matched to criminogenic needs and the individual circumstances on a case-by-case basis for the individual to profit from that treatment (Andrews and Bonta, 2010).

The risk-needs-responsivity (RNR) model has been utilized as the prominent approach in treating offenders in Canada for over three decades (Looman & Abracen, 2013). Studies adhering to the RNR model have often resulted in significant gains when focusing on reliably assessing offenders and reducing the rates of recidivism (Andrews & Bonta, 2010). Programs consistent with the RNR principles have shown to reduce levels in sexual, violent, and general
recidivism (Looman & Abracen, 2013). Looman and Abracen (2013) state that the RNR model considers personal, interpersonal, and social components as the main factors that are involved with the acquisition and continuation of criminal behaviours.

Treatments designed in accordance to the risk-needs-responsivity (RNR) principles are more effective than those that do not. In addition, there is a linear correlation related to the number of principles a treatment adheres to (Looman & Abracen, 2013); the more principles the study incorporates, the more positive the results of the program may be. Thus, adhering to the RNR principles and individualizing treatment to meet the needs of each participant should provide the most effective treatment outcomes.

Although there is much support for the use of the risk-needs-responsivity (RNR) model, it has been criticized in the last 10 years as some studies have voiced concerns due to the primary focus of treatment being on criminogenic needs (Ward & Stewart, 2003). Ward & Stewart (2003) argue that focusing only on criminogenic needs leaves offenders with gaps in their knowledge, as their personal needs are not considered when creating targets based on the RNR model. Other studies suggest that the RNR model concentrates its efforts in reducing negative attitudes, cognitive distortions, and deviant sexual interests. Ward and Stewart (2003) promote models that enhance strengths, skills, and abilities instead of suppressing negative behaviours to promote a healthier lifestyle.

In spite of some critical reviews of the RNR model, there is vast empirical support for RNR based approaches in rehabilitating criminals. The RNR approach promoted by Andrews and Bonta (2010) has often resulted in reductions in recidivism across offender populations, which indicates the efficacy of using the RNR approach with various groups of offenders. Looman and Abracen (2013) conclude that the RNR approach works to allow inmates to live more productively throughout their lives, while also ensuring the safety of the community in which the offenders will live post-sentence. In addition to identifying the inmates who are at a higher risk of recidivism, literature states that the combination of the RNR model and additional education while incarcerated can also have a positive affect on reoffending.

**Current Institutional Adult Basic Education (ABE)**

Educational programs that adhere to the risk-needs-responsivity (RNR) model and focus on teaching classic school curriculums have been consistently incorporated within the correctional system and together could create a lower rate of recidivism (Cecil, D. K., Drapkin, D. A., Mackenzie, D. L., & Hickman, L. J. 2000). Adult Basic Education (ABE) programs are beneficial in teaching standard school material. An increase in law-abiding behaviours and a reduction in recidivism have been achievable through ABE programs (Cecil et al., 2000). The earliest forms of education within the correctional systems focused on spiritual enlightenment (Gerber & Fritsch, 1983 as cited in Cecil et al., 2000). Educational programs without a religious focus did not become mainstream until the 1930’s, at which point the focus shifted to offenders remaining crime-free once released from the institution (Cecil et al., 2000). ABE incorporates courses such as reading, writing, GED tutoring, and some college level classes. Cecil et al. (2000) state that ABE programs were originally introduced with the expectation that increasing the offenders’ knowledge and life skills would improve the probability that they could become productive members of society. Offenders in the community have identified trouble in areas such as finding and maintaining employment, balancing a checkbook, and setting and meeting goals (Cecil et al., 2000). Many institutions now offer Life Skills programs in order to address some of
the gaps in the ABE programming. A few of the common components of these programs include budgeting, tax management, credit management, decision-making, and goal setting (Cecil et al., 2000). Although ABE and Life Skills programs teach a variety of relevant topics, they may not fully address a number of other imperative skill deficits. Cecil et al. (2000) state that there are a lack of tests, few well-written articles, and plenty of conflicting data referring to the effectiveness of ABE and Life Skills programming on reducing rates of recidivism. Based on limited research, Cecil et al. conclude that ABE and life skills programs appear to be an auspicious method in increasing financial health within the offender population, though it is unclear from the current research if ABE and life skills programs are effective in reducing recidivism.

The Impact of Financial Literacy on Everyday Living

Financial education is important to everyone regardless of age or socioeconomic status. People in the general population also have a high need for an increase in financial literacy education, although Boyle, Bennett, and Bennett (2012) state that there is limited research on how financial literacy and impacts important decision-making. Through a longitudinal study the authors examined the link between overall health and financial literacy. They collected data from 525 people in the general community through a series of questions designed to measure finance and health concepts (Boyle et al., 2012). The results of the study showed that people with higher levels of health and financial literacy knowledge had better decision-making skills. Two limitations have been identified from this study, one being that the study utilized predominately white, highly-educated people who may have had a higher base-knowledge of financial concepts (Boyle et al., 2012). In addition, the authors relied entirely on simulated questions regarding financial planning and healthcare decisions and did not measure participants’ actual decisions in their lives (Boyle et al., 2012). If this study was repeated, it would be important to have a more diverse population with ranges of ethnicities and socioeconomic statuses, as well as tracking real-life decisions made by the participants in order to obtain more relevant data. Boyle et al. (2012) state that refining financial literacy concepts could facilitate improved overall decision-making skills and lead to higher quality of life. Having an insufficient amount of financial literacy skills may negatively affect decision-making skills as well as other important life-skills such as accumulating large amounts of debt or having a lack of self-control.

Gathergood (2012) conducted a study that focused on the correlation between self-control, financial literacy, and over-indebtedness among consumers in the UK. It was found that a lack of self-control techniques and financial illiteracy are positively correlated with excessive financial debt. Gathergood (2012) states that consumers who have low levels of self-control and are financially illiterate tend to have increased exposure to a variety of financial risks. The study found that self-control and financial literacy skills might be imperative in decreasing the amount of consumer debt one will accumulate. Being exposed to several financial risks may also have an effect on other aspects of a person’s health.

As indicated by Bemel, Brower, Chischillie, and Shepherd (2016), a lack of financial health impacts individuals through six dimensions: physical (meager dietary habits, increased risk of obesity), emotional (greater risk of developing mental health problems, over all psychological wellbeing), intellectual (less likely to pursue a degree), spiritual (lack of charitable giving), social (interactions in a variety of relationships, social activities, marital distress), and
environmental (physical, chemical, and biological factors external to a person). Bemel et al. (2016) define poor financial health as having high levels of debt and/or low levels of income. A cross-sectional study conducted by Bemel et al. (2016) explored the impact of financial health on the other dimensions of a person’s health. The study surveyed 686 undergraduate students to determine if integrating financial health awareness into university courses was justified in order to promote healthy living (Bemel et al., 2016). According to previous studies, students often pay for most expenses with credit cards. The study found that decreased levels of financial health impacted every dimension of their individual health. Participants showed that increasing their financial health greatly impacted their levels of emotional health, concentration, usefulness, decision-making, and happiness by merely creating and sticking to a budget (Bemel et al., 2016). It is to be noted that this study was conducted with only college students; therefore, the results of this study may not be generalizable to other populations (Bemel et al., 2016).

Lusardi (2015) explored the importance of financial literacy skills in the 21st century during a lecture presented to the American Council on Consumer Interests at the annual conference in the United Kingdom. Lusardi (2015) believes that financial literacy has become an essential skill for thriving in our modern economy due to more complex and widely accessible financial services. People today need to take more responsibility for their decisions when investing in post-secondary education, saving for a child’s post-secondary education, or planning to retire (Lusardi, 2016). Other factors such as increased life expectancy, a decrease in welfare benefits, and unstable economic job prospects all play a key role in the increasing importance of financial literacy education. Without additional education, some risk factors related to recidivism may not be suitably addressed.

Financial Literacy and Risk Factors of Recidivism

Certain risk factors are likely to predict future criminal behaviours. Andrews and Bonta (2010) discuss the Central Eight risk factors of recidivism, which include: history of antisocial behaviour, antisocial personality, antisocial cognitions, antisocial associates, substance abuse, family/marital relationships, school/work, and pro social recreational activities. Some of these Central Eight risk factors may be exacerbated by financial stressors such as financial instability or unemployment. Waller (1974) as cited by Zamble and Quinsey (1997) states that a lack of employment after release is a strong predictor of reoffending. A typical lifestyle of someone who reoffends is best described as having no regard for carrying out obligations and commitments made to their connections in the community such as appointments, payments, or parole conditions (Zamble & Quinsey, 1997). A study conducted by Zamble and Quinsey (1997) found financial problems a pressing issue affecting men after release from an institution. Financial problems were ranked third out of seventeen possible problems preceded only by interpersonal issues and substance abuse. In addition to the typical problems that life offers, offenders released from prison also face increased difficulties. There are several difficulties incorporated with creating a new identity. Two of these difficulties include gaining citizenship and opening a new bank account (Zamble & Quinsey, 1997). It was found that the longer a person’s sentence within an institution, the more difficult reintegration and establishment of a new life might be (Zamble and Quinsey, 1997). The authors believe that the triggers involved in reoffending are most frequently linked to stress in various parts of one’s life, including financial stress.
In a similar study, Zamble and Quinsey (1997) explored offenders’ negative emotions during the period preceding their offences. The sample group identified lack of money as one of the top two categories leading them to commit a crime. Offenders who committed economic crimes such as robbery identified having severe economic problems, difficulty finding and maintaining employment, and a lack of sufficient money in order to support their desired lifestyles (Zamble and Quinsey, 1997). These findings demonstrate how a lack of financial knowledge may increase the level of risk for reoffending. Zamble and Quinsey (1997) conclude that more intensive longitudinal studies with a focus on dynamic factors would be necessary in order to provide a perfect picture of what steps are involved in the process of recidivism. One way to increase employability could be to implement additional educational programs that would prepare participants for looking for a job.

Nally, Lockwood, Knutson, and Ho (2012) conducted a study that focused on a 5-year follow-up of correctional education and post release employment and recidivism. They followed 6561 offenders from 2005 to 2009 and found that education and employment were the two key factors in post release recidivism (Lockwood et al., 2012). Offenders were more likely to return to a correctional facility if they were unemployed once in the community (Lockwood et al., 2012). Results from this study indicate that offenders who did not complete high school were the most likely to become recidivists, and that younger offenders most commonly recidivated (Lockwood et al., 2012). Lockwood et al. (2012) conclude that there is a large need for inmates to have access to education and job training and that community-bases support services are imperative to reducing recidivism.

These authors conducted a follow-up study with the purpose of examining the efficacy of correctional education on the levels of post-sentence employability and recidivism rates (Lockwood et al., 2012). They compared two groups of offenders. The first group consisted of 1,077 participants who participated in a variety of educational programs while imprisoned, and the second group included 1,078 participants who did not receive any correctional programming (Nally et al., 2012). The results showed that the offenders who did not partake in correctional programming were 3.7 times more likely to reoffend than the offenders who participated in a variety of correctional programs during their sentences (Nally et al., 2012).

It is important to note that offenders who have been released have many personal and legal obstacles that may interfere with the odds of them being able to successfully become productive members of society (Scott, 2010). Employment is one of the major factors that influence the success of offenders, as they often have difficulties finding and keeping employment. Some of the barriers to employment include: intrapersonal issues (psychological health, educational skills, substance use/abuse, lack of qualifications), subsistence (financing, reliable housing, poverty, debt), lack of consistent support, negative attitudes from employers, and legal/formal restrictions for certain job fields (Scott, 2010).

Most employers have been found to be unwilling to hire ex-offenders due to violent histories, drug related crimes, and lack of trustworthiness (Scott, 2010). Scott (2010) believes that overcoming the negative connotations that come with hiring ex-offenders is of utmost importance in order to provide consistent employment opportunities, which in turn could help find and maintain steady employment. Leaving aside the importance of financial literacy education within the offender population, people in the community have a high need for increased financial literacy skills in order to maintain a healthy lifestyle as well.
Managing Your Money

Financial Education Needs Within the Inmate Population

Call, Dyer, Wiley, and Day (2013) suggest that there is a significant gap in research regarding inmates’ perceptions of financial education. A financial knowledge assessment was conducted with 17 volunteers from a correctional penitentiary in order to identify what areas of financial education are most vital to teach (Koenig, 2007, as cited in Call, Dyer, Wiley, and Day, 2013). The research found that areas such as savings, retirement, and interest had the lowest scores on the tests. Call et al., (2013) conclude that there is an emerging need to conduct more needs-assessment tests with focus on the topic of financial education with incarcerated populations. The authors outlined implications for financial educators to consider, these included: distrust of the system and education provided, implementation of teachings after release, complex backgrounds and substance abuse issues, lack of access to banks/financial institutions, and distrust of banks/financial institutions. Inmates suggested that one of the greatest barriers to success while participating in programs was distrust for the correctional system of education (Call et al., 2013). The offenders discussed that they were interested in increasing their financial education but that there were not sufficient means of getting a higher education while incarcerated due to lack of programs put in place by staff (Call et al., 2013). Call et al. (2013) suggest that some inmates had positive learning experiences with effective teaching in the correctional system, but many found that there was a lack of interest and care provided by the facilitators. The need for financial literacy programs within offending populations is grossly overlooked (Call et al., 2013). Implementing programs that focus on financial education and adhere to the RNR model is paramount when increasing financial literacy techniques in offending populations (Call et al., 2013).

It is common that undereducated offenders reoffend and return to the prison system due to difficulty obtaining employment once they are released (Nally, Lockwood, Knutson, and Ho, 2012). Offenders with a higher education are more likely to become employed once released into the community, and are less likely to reoffend entirely (Nally et al., 2012). Nally et al. (2012) found the recidivism rate in the general population of inmates without correctional programming was 67.8 percent in comparison to 27.9 percent recidivism rates with inmates who had been involved with correctional programming. The results of this study indicate that correctional programming may have a significant impact on reducing recidivism (Nally et al., 2012).

When reflecting on the research of employment instability in the inmate population, employment is an imperative need to address in regards to successful reintegration (Scott, 2010). Scott (2010) examined offenders’ perceptions of the relationship between employment and crime. Employment provides inmates various advantages in everyday life, such as increased personal values, independence, dignity, responsibility, social networking opportunities, self-esteem, and overall psychological health (Graffam, Shinkfield, Lavelle, & Hardcastle, 2004, as cited in Scott 2010).

Although some studies have delved into the relationship between correctional education and recidivism, past studies were found to be fundamentally inadequate, as they did not measure this relationship in regards to post-sentence employment information (Nelly et al., 2012).

Summary of Literature and the Financial Literacy Program Manage Your Money

Esperian (2010) states that both male and female offenders who actively participate in educational programs within the institutional setting have a 29% lower rate of recidivism. A recent report released by the US Department of Justice states that prison education is the number
one tool for lowering recidivism (Esperian, 2010). In addition, Esperian (2010) states that educating offenders while incarcerated is statistically far more effective at reducing reoffending than boot camps, shock incarceration, or vocational training options. It is difficult to pinpoint what financial skills each offender will need in order to successfully reintegrate into society. Some inmates may have never held a job, received a check, found independent housing, filed their taxes, or created a budget. In reviewing current literature it is evident that there is a gap in research regarding financial skills with offender populations, although most articles came to the same conclusion: there is an obvious need for an increase in offender financial education (Koenig, 2007).

Manage Your Money (MYM) is a program that was developed in 2009 by St. Lawrence College students and staff, the team named Enactus is dedicated to improving the health of people all across Canada, in order to teach youth financial literacy skills for them to take control of their financial endeavors as they become adults.

Since this is a newly developed program, there are currently no research studies on the efficacy of this program. Youth who have participated in the program have stated that they had an increase in their financial literacy skills and have become more confident when having to overcome challenges. In 2015, this program was modified in order to facilitate classes teaching financial fundamentals to offenders who are currently completing a federal sentence. The MYM program aims to educate offenders in how to effectively handle financial responsibilities and aid them in gaining financial independence upon release into the community. Preparing inmates with a variety of skills to deal with consumer credit, withdrawals, and unforeseen expenses may have a positive impact on their ability to make informed decisions regarding finances.
Chapter III: Methodology

Population

Participants

The Manage Your Money (MYM) Program included 10 males residing in a minimum-security financial institution. The participants were aged 21 to 62 years old, and were serving 2 years to lifetime sentences. The group demographics were as follows: five participants had Asian backgrounds, four participants were Caucasian, and one participant was black.

Inclusion and exclusion criteria

Inclusion criteria consisted of participants being at least 18 years old and currently residing in minimum-security at a federal penitentiary. Exclusion criteria included participants who had previous commitments, such as a program or workshop, and not agreeing to attending all five sessions.

Recruitment procedures

A Manage Your Money Recruitment Poster (Appendix A) was created by Enactus and was posted around the offenders’ living units and in program areas in order to recruit participants for the program. The flyer referred inmates to a Social Programs Officer at the prison who was in charge of collecting names and letting the facilitators know who was interested. Some staff members also promoted the program to inmates verbally, including offenders who were close to their parole date. An information session was run on October 27th, 2016 to allow offenders to meet the facilitators and ask any specific questions before signing up for the program. Four offenders attended the information session on their own, and all four signed up to be participants in the Manage Your Money program. Initial interviews were conducted on November 2nd, 2016 with each participant individually once they had signed up for the program. Each participant was asked what topics they were most interested to learn about, why they were interested in taking the program, if they were committed to attending all five sessions, and where they were planning to live once released into the community. These questions were asked in order to prepare for the specific program needs of each participant and in order to make additional changes to the program content during each session.

Confidentiality and informed consent

Participants were given an informed consent form (Appendix B) on the first day of the program. A 5-minute verbal interview was conducted individually after 10 participants signed up for the program. The participants were informed of the conditions of participating and withdrawing from the program, asked the reason for signing up for the program, and if they were committed to attending all five sessions. They were given the opportunity to ask any questions about the MYM program. Participants were told they could withdraw by informing any of the contributing group facilitators or correctional staff that they would no longer like to attend the program and that no names would be included in the thesis or the reports. The offenders were also informed that information collected on questionnaires might be shared with others as part of the thesis requirements from the Honours Behavioural Psychology program at St. Lawrence College. The St. Lawrence College Research Ethics Board and the Correctional Service Canada Ethics Board approved this research study (Appendix C).
Design

The research design consisted of a pre- and post-test non-experimental design. The independent variable was the MYM program and the dependent variable was the participants’ financial knowledge, their level of financial capabilities, and their financial attitudes and behaviours towards finances. Financial literacy is defined as the understanding of various financial situations, including managing personal finances and making appropriate financial decisions and knowledge of real estate, investing, insurance, budgeting, retirement plans, paying for college, and taxes (Investopedia, 2016). Written answers were analyzed by condensing all answers and providing a summary of information collected that will be available for students who will be running the MYM program in the future. Likert scale questions were analyzed by collecting statistical data based on the average and the standard deviation for each question and using visual analysis techniques in order to provide specific information about the varying answers received. The researcher utilized SPSS® software in order to use a paired sample t-test in order to identify changes during the pre and post results from the Manage Your Money Content Questionnaire.

Settings and apparatus

The program was held in a classroom in the programs building in the institution. The classroom consisted of desks and chairs, a whiteboard, and a projector to display PowerPoint presentations. The materials utilized in the program included 12 copies of the MYM workbook, two facilitator guides, a folder with additional handouts and resources, a laptop provided by the correctional staff, name tags, markers, and pens provided by the programs department.

Measures

Prior to the beginning of the first session, participants were asked to complete two assessment measures: the modified versions of the Financial Capabilities Scale- Short Version (FCS-SV) (Appendix D) and the Financial Attitudes and Behaviors Measure (FABM) (Appendix E). In addition, the participants completed the pre-test measure Manage Your Money Content Questionnaire (MYMCQ; Appendix F), which was created by the researcher. The modified version of the FCS-SV (FCS-SV; Stumm, O’Creery, & Furnham, 2013) consisted of eight multiple choice questions and was utilized in order to assess the general financial capabilities of the participants. In addition to the FCS-SV, a modified version of the Financial Attitudes and Behaviors Measure (FABM; Wahlund, & Gunnarson, 1996) consisted of 13 Likert scale questions and was utilized to assess participants’ attitudes and financial interest. Finally, an original questionnaire was developed from the Manage Your Money resource guide provided by Enactus (2014). This questionnaire consisted of 25 multiple-choice questions created directly from the MYM instructional resources (i.e. PowerPoint slides). The MMYCQ was created in order to measure financial literacy knowledge before and after the MYM program. The three pre-test measures were utilized in order to reliably identify the participants’ attitudes, capabilities, and baseline knowledge of financial literacy skills. Finally, a Participant Feedback Survey (PFS) (Appendix G) was given to the participants in order to make additional modifications to the MYM program content in the future. The survey consisted of 15 questions created in order to gain feedback on the MYM program. Questions from the Participant Feedback Survey included a combination of qualitative and quantitative questions. These
questions helped identify areas to further modify in upcoming years. Each questionnaire took between 5 to 10 minutes each to complete.

**Procedures**

The program was delivered to 10 participants in a minimum-security correctional institution classroom. There were a total of four, two-hour sessions occurring once per week from November 8\textsuperscript{th}, 2016 until November 29\textsuperscript{th}, 2016. The co-facilitators gave a PowerPoint presentation to the participants regarding different financial literacy core topics each session. Discussions took place during the lesson and once the session has finished, allowing the participants to share ideas, talk about reactions to the materials, or ask any additional questions about the program materials.

**Facilitators**

Two students in their fourth year in the Honours Degree of Behavioural Psychology at St. Lawrence College delivered the program at a minimum-security financial institution. Throughout their education the students took courses related to counselling and one course specifically related to correctional services. They utilized the Manage Your Money (MYM) program materials, which includes: the facilitator’s manual, participant workbook, and five MYM PowerPoint presentations. Both facilitators completed eighteen hours of training, which included attending six, two-hour MYM sessions being delivered to youth in the community, and additional team meetings in order to prepare for the delivery of the program in the institution. During the training MYM sessions, both facilitators were asked to present half of one session to youth in the community in order to become comfortable presenting the material.

**Materials**

The materials from the MYM workbooks and manual have been designed to cover many of the important fundamental topics of financial literacy including banking, budgeting, borrowing, the cost of living, income taxes, and the anatomy of a pay cheque. The original Enactus materials have been modified in order to better suit offender needs. Each participant received a participant workbook and a folder with additional resources with optional exercises to complete in accordance with each weekly topic. In order to make the MYM materials more relevant to participants in a correctional setting, many additional changes were made to the original MYM materials. The updated MYM Participant Workbook (Appendix H) includes changes to the language and examples from the precious participant workbooks, and the MYM Facilitators Manual (Appendix I) includes information important to facilitating the MYM program in a correctional facility. A guest speaker was also included during session three for the participants to ask additional questions to a professional in the finance community. Participants were asked to contribute to group discussions and activities throughout each session. The rationale for this format is that participant retention is very high when they have the opportunity to teach other participants the information and discuss different viewpoints.

The MYM workbooks include detailed information for all four sessions, which is split into four major modules with each module covered in exactly one session. These modules include:
Module one: you past present and future

In this module participants were encouraged to describe their personality traits and attitudes and how these factors influence their ability to manage money. This module also defined the difference between self-image, self-esteem, and projection. Participants were also taught about the different types of locus of control and which is the best mindset to have. They discovered what their primary and secondary learning styles are. Finally, the participants were coached about effective goal setting and set a SMART (specific, measurable, achievable, realistic, and timely) goal.

Module two: cost of living and income taxes

During this module, participants described the “cost of living” and how it affects their everyday lives. They were coached about the importance of applying consumer knowledge in order to make informed purchase decisions. The participants were taught about the anatomy of a paycheque and will understand payroll deductions, as well as being able to identify the difference between gross and net incomes. The module covered the basics of income taxes and how to file income tax returns. This module also discussed the importance of filing tax returns and the potential consequences for not doing so. This module finished by focusing on how to define needs, wants, and priorities in everyone’s lives.

Module three: banking, budgeting, and borrowing

In the third module, participants were asked to describe the importance of personal financial management and budgeting. The facilitators worked with the participant in order to explain and create a working budget. Different types of banking accounts were discussed, and participants were encouraged to identify the most appropriate account for their future needs. This module also discusses compound interest and the difference between banks and credit unions. Participants were asked to identify the difference between “good” and “bad” debt and describe the consequences of acquiring “bad debt”. A section of this module focused on how to be smart with a credit card and avoid acquiring debt, as well as how to manage debt using community resources such as lines of credit or overdraft payments. A guest speaker who is an expert in the financial world was also added to during the presentation of this module in order to answer more specific questions for the participants.

Module four: staying on the safe side

In the final module, participants described and identified what Identify Theft and Fraud look like and how to protect themselves from having their identity stolen. The module will focused on the basics of investing such as the levels of risk, diversification, common types of investments, investment fees and costs, and how to best work with a financial advisor. The participants outlined the risks and rewards to investing. The module ended with a list of different professional groups in the financial industry and the role they play in aiding the public with financial literacy.
Chapter IV: Results

The purpose of the study was to assess the participants’ baseline financial capabilities and financial attitudes by using the Financial Capabilities Scale-Short Version (FCS-SV) and the Financial Attitudes and Behaviors Measure (FABM). Additionally, the purpose was to determine whether facilitating the Manage Your Money (MYM) program at a minimum-security institution was effective in increasing offenders’ basic financial literacy skills by administering the Manage Your Money Content Questionnaire (MYMCQ) in a pre- and post-test format. A Participant Feedback Survey (PFS) was used in order to gain insight on the facilitation process and identify potential changes for future implementation of the MYM program. Furthermore, the objective of the PFS was to determine whether the participants’ felt that the information presented was relevant and valuable for the correctional population. SPSS© software was used to analyze the pre- and post-test data from the MYMCQ using a paired samples t-test.

Financial Capabilities Scale-Short Version Summary

The FCS-SV (Appendix D) was administered at the beginning of the programs second session upon obtaining approval from the Correctional Service Canada Ethics Board. Two participants completed the assessment questionnaires on different days due to having other commitments on the day of the program. Participants were verbally instructed to answer honestly and take their time. The FCS-SV consisted of eight multiple choice questions pertaining to the participants’ general financial capabilities in order to understand the participants’ past financial standings and general capabilities of managing their money. Financial capability is defined as proper use of public financial services and sound financial decisions characterized by the combination of financial skills, knowledge, attitudes, and behaviours (ACCION, 2015). Please refer to Table 1J (Appendix J) for the full participant results for the FCS-SV. Based on the questionnaires rating scale, A equates to having low levels of financial capability, and E represents having high levels of financial capability.

Table 1
Summary of Participant Answers for FCS-SV

<table>
<thead>
<tr>
<th>Question</th>
<th>Most Common Response</th>
<th>Median Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Which of the following statements best describes how well you typically kept up with your bills and credit commitments? (A=Real Problem, E=Not a Struggle)</td>
<td>50% of participants selected that it was not a struggle.</td>
<td>E: “Not a struggle.”</td>
</tr>
<tr>
<td>2. How strongly do you agree with the statement “I was very organized when it came to managing my money on a day-to-day basis”? (A=Disagree Strongly, E=Agree Strongly)</td>
<td>30% of participants selected tend to agree.</td>
<td>C: “Don’t know.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>D: “Tend to agree.”</td>
</tr>
</tbody>
</table>

1 To see full range of Likert scale questions please refer to Appendix D.
<table>
<thead>
<tr>
<th>Question</th>
<th>Percentage of Participants</th>
<th>Responses</th>
</tr>
</thead>
</table>
| 3. How often did you check how much money you had available to you?     | 50%                         | C: “At least once a month but not every week.”  
E: “Every day.”             |
| (A=Never, E=Every Day)                                                  | 50%                         | B: “I knew within $100.”  
D: “I knew within $10.”       |
| 4. How accurately did you know how much money you had in all of your accounts combined? | 50%                         | C: “At least once a month but not every week.”  
E: “Every day.”             |
| (A=I had no idea, E= I know within a couple of dollars)                 | B: “I knew within $100.”  
D: “I knew within $10.”       |
| 5. How long could you have made ends meet if you lost your source of income? | 50%                         | C: “More than a month but less than three months.”  
E: “12 months or more.”       |
| (A=Less than one week, E= 12 months or more)                            | B: “I knew within $100.”  
D: “I knew within $10.”       |
| 6. How strongly do you agree or disagree with the statement “I always have money saved for a rainy day”? | 50%                         | D: “Tend to agree.”  
E: “Agree strongly.”         |
| (A=Disagree Strongly, E=Agree Strongly)                                 | 60%                         | E: “Very important.”      |
| 7. How important is it for people like you to keep up with financial matters, generally? | 60%                         | E: “Very important.”      |
| (A=Not at all important, E=Very Important)                              |                             |
| 8. How important would it be for people like you to keep up with changes in pricing and look out for deals on goods and services? | 60%                         | E: “Very important.”      |
| (A=Not at all important, E=Very Important)                              |                             |
As seen in Table 1 and Figure 1, the results of the questionnaire show that the participants had varying levels of perceived financial capabilities prior to partaking in the Manage Your Money (MYM) program. Based on the questionnaires scale rating ($A$=low levels of financial capability, $E$=high levels of financial capability), it is observed that the majority of participants selected $E$ for 75% of the total number of questions. Therefore, the majority of participants perceived themselves to have a high level of financial capability prior to taking part in the MYM program.

**Financial Attitudes and Behaviors Measure (FABM) Summary**

The Financial Attitudes and Behaviors Measure (Appendix E) was also implemented at the beginning of the second session of the program. Two participants wrote the questionnaires on different days during the week due to having other commitments during the session of the program. The FABM consisted of 13 quantitative questions and was used in order to assess the participants’ attitudes towards financial literacy and their overall financial interests. The FABM is categorized into four sections, Financial Interest, Self-Control, Attitude Toward Financial Risk Taking, and Financial Control and Planning.

Questions 1, 2, and 3 from the Financial Interest category, questions 1, 2, and 3 from the Self-Control category, question 1 from the Financial Risk Taking category, and questions 1 and 2 in the Financial Control and Planning Category were analyzed for similar answers across participants. The participants were also asked four additional questions that were not analyzed in the statistics. These questions included: I am knowledgeable about financial matters and economics ($1$=not knowledgeable, $5$= very knowledgeable), I quickly spend money that I have saved away ($1$= never, $5$= very often), how important is it for you to avoid taking risks when you decide how to save money? ($1$=not important, $5$= very important), and to what extent do you think it is necessary to plan for your future finances? ($1$= not necessary, $5$= extremely
necessary). To see the full participant answers, please refer to Table 2J and 3J (Appendix J) and Figure 2.

Figure 2. The above graph is a visual representation of the average answer for each category for the FABM.

The FABM was categorized into four sections relevant to four different aspects of financial capability. The Financial Interest category involved taking an interest in one’s own personal finances and consistently acquiring new information about ways to save money. The scale for questions 1-3 in this category were rated from 1= not interested to 5= very interested. The participant average in this category was a 4.36 out of 5, showing that the participants perceived themselves to have a high level of financial interest.

Additionally, the Self-Control category focused on not needing to borrow money from others, not using your credit card too frequently, limiting the number of impulse purchases one makes, and having little difficulty establishing regular savings habits. Questions 1, 2, and 3 in this category were rated on a scale from 1=not at all, to 5= very often. In this category, scoring low is correlated to having a high level of self-control. The participant average for this category was a 2.13 out of 5, suggesting that the participants think that they have a moderate level of financial self-control.

Thirdly, the Attitude Towards Financial Risk Taking category related to level of financially risky decisions and the level of importance help upon monitoring financial risks. Question 1 was rated on a scale from 1=not risky, to 5=extremely risky. The participant average for this category was 3 out of 5, suggesting that the participants perceived themselves to have a moderately healthy attitude towards financial risk taking.

Finally, the Financial Control and Planning category focused on the participants ability to keeping track of their personal spending habits, having good control over their savings, and
MANAGE YOUR MONEY
having intent to plan for future financial issues. Questions 1 and 2 from this category were rated from *1=not at all, to 5=very well*. The participant average in this category was 3.35, showing that the participants believed that they had a moderate level of financial control and planning.

**Manage Your Money Content Questionnaire Overview**

The Manage Your Money Content Questionnaire (Appendix F) consisted of 25 multiple-choice questions that were created directly from the content in the Manage Your Money Participant Workbook (Appendix H) and the Manage Your Money Facilitators Guide (Appendix I). Participants were given the questionnaire at the start of the second session, and again at the end of the fourth session in order to assess their learning. Please refer to Table 4J (Appendix J) for the participants’ pre- and post-test scores.

![Figure 3](image)

*Figure 3. The above graph is a visual representation of the pre- and post-test results for each individual participant on the MYMCQ.*

The results from the MYMCQ show that 60% of participants showed some increase in financial literacy skills, 10% of participants showed no change, and 30% of participants had a decrease in financial literacy knowledge from the pre test to the post test. The range for the difference in scores was -8% to +20% as shown in Table 5. Please note that data collected from the MYMCQ for participant four was excluded from the results, as the participant did not fully complete the pre-questionnaire. The pre-test mean was 73.7% (*SD=11.5*), whereas the post-test mean was 80% (*SD=10.19*), showing a 6.2% increase in financial literacy knowledge overall. Based on this result, it can be concluded that there was a small increase in the participants overall financial literacy knowledge from the beginning to the end of the MYM Program.

**Statistical Analysis**

SPSS® statistical software was utilized to run a paired samples t-test in order to determine whether the program produced a significant increase in financial literacy knowledge based on the Manage Your Money Content Questionnaire (MYMCQ) results. The paired samples t-test in showed that a 4-week, once weekly Manage Your Money (MYM) financial
literacy program did not produce a statistically significant change in overall financial literacy knowledge ($z=-1.55$, $p=.122$). The hypothesis of the study that offenders would acquire additional financial literacy knowledge by participating in this program is rejected. Despite this, the analysis shows that the participants did increase their financial literacy skills from the pre-test ($M=18.44$, $SD=2.87$) to the post-test ($M=20$, $SD=2.54$) (Table 5J; Appendix J). From this data we can conclude that there were minor increases in financial literacy knowledge after the participants had completed the MYM program, though not at a statistically significant level.

**Participant Feedback Survey (PFS)**

The PFS (Appendix G) was given to participants at the end of the last session in order to gain feedback and find potential modifications for future implementation of the MYM program. The survey consisted of seven quantitative questions, one yes or no question, and seven qualitative questions. Quantitative questions were answered on a scale of 1 (strongly disagree) to 10 (strongly agree); one being associated with a negative perception of the program, and ten is associated with a positive perception. For a summary of quantitative responses, see Table 6J and 7J (Appendix J). For a visual representation of quantitative responses please refer to Figure 4.

As seen in Figure 4, the average responses for all seven quantitative questions ranged between 8.8, to 9.6 satisfaction rating. Based on the results of the feedback survey, it can be concluded that the participants felt that the program was useful and well delivered.

The qualitative questions incorporated into the PFS aimed to explore the usefulness of the delivery of the MYM program content to ensure that proper modifications can be made in the future delivery of the program. Participants provided positive comments regarding the delivery of the MYM program, such as that it was a helpful brush-up on budgeting and basic financials.
In addition, many participants expressed that they enjoyed having a guest speaker to provide more in-depth knowledge on banking and finances. Another participant stated that the facilitators were clear, concise, and knowledgeable about the topics discussed. Furthermore, participants stated that the program was straightforward, informative, useful, and that the group-sharing portion of the program added a more comprehensive understanding of the materials. Finally, one participant stated that participating in this program might help to prevent inmates from going back to a criminal pattern of thinking if the inmates are aware of how to support themselves and manage their money in the community.

In addition to the positive feedback, the participants also included some constructive feedback as well. Some participants felt that the guest speaker’s experience running a small business was not valuable to the group as a whole, but that her banking knowledge was invaluable. Also, participants stated that the chequing and savings account information was too basic. The facilitators received comments about future changes in the program. Some ideas presented by the participants were more in-depth information about real money management concepts, more guest speakers with a range of expertise, a section on entrepreneurship, and more hands on learning through games and exercises. Finally, participants requested that the program was increased in length in order to go into more depth for each module.


Chapter V: Discussion

Thesis Summary

The purpose of the Manage Your Money program was for the participants to increase their basic financial literacy knowledge. The knowledge acquired could help the participants make improved financial decisions in the future.

A preexisting financial literacy program, Manage Your Money, was modified in order to create a 4-week program for offenders within a minimum-security correctional institution. The program was based upon the original curriculum, but incorporate the offenders’ personal experiences and interests into the discussion. Using a pre and post test format, offenders’ levels of financial interest, financial attitudes and financial capabilities were measured. The findings of the study suggest that the participants made some gains in financial literacy knowledge, though not at a statistically significant level; therefore the results do not support the hypothesis that the inmates would have an increase in financial literacy knowledge after participating in the program.

Results and Relevance to Literature Review

After participating in the program, 70% of participants showed an increase in basic financial literacy knowledge based on results from the MYMCQ. The participants rated themselves 4.36/5 in the financial interest category from the FCS-SV, showing that the participants took an active interest in their personal finances in the past and may be familiar with the program curriculum. Due to this it is feasible to assume that this sample may have started the MYM program with a perceived high level of baseline financial literacy skills. In addition, the results from the FABM coincide with results found by Zamble and Quinsey (1997); inmates feel that there should be more access to financial literacy courses within institutional settings. Based on the results from the FABM it can be concluded that the participants’ perceived themselves to have a high level of financial interest, and moderate levels of self-control, financial control, and financial risk taking.

Call, Dyer, Wiley, and Day (2013) suggest that there is a significant gap in research regarding the inmates’ perceptions of financial education. Call et al. (2013) conclude that there is a large need to conduct more needs-assessments tests with incarcerated populations to discover what they would find useful during their sentence. Due to the gap in research, this study attempted to address this gap by teaching this population budgeting, banking, investing, cost of living, and income tax skills in order to aid them in reintegrating successfully once released. Esperian (2010) states that offenders who participate in education programs have a 29% lower recidivism rate than those that did not. Although current CSC programs can be extremely effective, other programs with a focus on financial literacy or other offender needs should be strongly considered in the future. Many vocational programs are introduced into institutions with the expectation that increasing the inmates’ life skills would improve the probability that they could become law-abiding citizens (Cecil et al., 2000). The Manage Your Money (MYM) program aimed to teach basic financial skills that were identified as precursors to financial distress in the literature including banking, cost of living, budgeting, taxes, and investment skills. The literature showed that most triggers involved with reoffending are frequently linked to stress in one’s life, including financial stress; the MYM program included modules on community resources, cost of living, and how to best manage a small budget. As seen in the literature, skills
like these may be essential in successful reintegration post-release. Many offenders face personal and legal obstacles that intrude on their ability to successfully reintegrate (Scott, 2010). Participants stated that partaking in the MYM program would help them remain law-abiding once they were released into the community; relevant literature also states that vocational programs in institutional settings effectively increase law-abiding behaviours and reduces recidivism (Cecil et al. 2000).

Additionally, the facilitators received an abundance of positive feedback from the participants and other agency staff, such as social programs officers, correctional program officers, manager programs, and administrative assistants. The participants enjoyed the program overall, stating that the material was relevant and that the facilitators were well prepared. The participants suggested that the program should be expanded to include more in-depth information on other money management skills and that there should be more guest speakers incorporated.

**Strengths**

There are several noteworthy strengths in this study. Firstly, the literature discussed in Chapter II: Literature Review emphasized a strong need for additional financial literacy opportunities within the correctional setting. Modifying the Manage Your Money (MYM) program sought to provide a basic financial literacy program in order to deliver relevant information to offenders. In addition, the facilitators were able to modify the program slightly each week in order to meet the needs of the participants. The information presented was kept at a basic level of understanding and activities were individualized for the offender population. Throughout the program, the participants were able to ask questions unrelated to the curriculum. For example, part of one session was spent discussing how to present gaps in a resume due to a prison sentence and how to present this in an interview format. Additionally, the small sample size may have been a benefit to the participants, as the facilitators were able to listen to all participants’ questions and format the program to suit their needs.

Furthermore, the MYM has received support on a larger scale. The MYM program has been presented at many financial conferences with Enactus, St. Lawrence College and has received much support from professionals in the financial literacy field. Furthermore, other correctional institutions have shown an interest in having the MYM program offered to their offenders in the future. Moreover, consultation with professionals and colleagues throughout the community resulted in positive feedback and additional recommendations for future projects. Finally, the participants had the opportunity to share their thoughts and suggestions with the facilitators at the end of the program delivery to help with further modifications to the program materials to increase its effectiveness.

**Limitations**

There are several limitations that should be discussed. Firstly, having such a small sample size made it difficult to determine the overall benefits of the program statistically. Additionally, only nine participants answers were included in the program results for the Manage Your Money Content Questionnaire, as participant four did not complete the questionnaire.

The participants completed all the measures used individually, which may affect the validity of the responses collected as the participants may choose to manage how they will
appear to the facilitators by altering their honest responses. As well, using self-made or modified measures, such as the Manage Your Money Content Questionnaire, Financial Capabilities Measure-Short Version, and Financial Attitudes and Behaviors Measure, may have affected the validity and reliability of the results.

Finally, the facilitators did not implement the Financial Capabilities Scale-Short Version, Financial Attitudes and Behaviors Measure, or Manage Your Money Content Questionnaire pre test on the first day of the program due to waiting for Correctional Services Canada ethics board approval, which may have increased the participants pre-questionnaire scores. In addition, participants displayed high baseline levels of financial interest, which may conclude that the participants were familiar with the base concepts of financial literacy.

**Multilevel Challenges to Service Implementation**

The purpose of this report is to discuss the challenges that one faces when trying to prepare and facilitate a program for Correctional Services Canada.

**Client level**

It can be difficult to recruit and motivate offenders to participate in a program that they are unfamiliar with. Although this was less challenging in this case as the materials presented were relevant and interesting to the participants, some resistance was still observed during the recruitment process. During initial interviews it was difficult to learn about the participants due to the environment, many participants were uninterested in giving ideas and information about what they would like to be taught during the program. Other participants were only inclined to participate in order to stay busy and receive a certificate.

**Program level**

It is challenging to prepare and present a program in this setting. The main facilitator worked independently to prepare extra materials and create session notes that coincided with the existing materials. Every week the facilitators would receive feedback and suggestions from agency staff and participants as to what should be altered for the next session. In addition, participants would request additional information that the facilitator would need to research and prepare.

**Agency level**

Introducing any type of new programming into a correctional institution can be difficult. Some staff members are reluctant to incorporate additional programs into the institution, as they can create additional work. It was necessary for the facilitators to ask for assistance in planning the program, organizing the materials, and recruiting participants. The facilitators were sometimes met with negative feedback and struggled to find their place within the institution. Preparing to implement a new program in an institution can take several times longer to complete than in other agencies. The institutions daily schedule may change frequently due to lock downs or parole dates, which may interfere with the ability to consistently deliver the program.
MANAGE YOUR MONEY

Societal level

Modifying any program to fit an institutional setting that was originally designed for people in the community can be a challenge. Many people do not see the necessity in using time and resources to educate inmates; it was difficult to find enthusiastic, supportive people to aid in the creation of the project. Some people in the community believe that inmates will never be rehabilitated.

In summation, many challenges occur when working in an institutional setting. It is necessary to remain calm and positive throughout the duration of the implementation. Schedules and procedures within a correctional institution are constantly changing. In order to successfully prepare and facilitate a program in this setting one must exercise patience and self-confidence.

Contributions to the Behavioural Psychology Field

Literature indicates that offenders leaving the institution often face aversive situations such as increased financial stress and lack of financial management skills (Zamble & Quinsey, 1997). As concluded by Nally, Lockwood, Knutson, and Ho (2012), offenders with more education are less likely to reoffend entirely and a general lack of financial skills acts as a risk factor for unlawful behaviour. By addressing these issues, the Manage Your Money (MYM) program aimed to increase the offenders’ basic financial literacy knowledge in order promote successful reintegration into the community. Increasing the participants’ financial knowledge may help modify their future behaviours by teaching them how to manage financial matters independently in order to promote law-abiding behaviours and minimize recidivism. This thesis provides strategies to a correctional population, which is consistent with the trend in the behavioural psychology field that aims to teach vulnerable populations skills to function autonomously in the future.

Recommendations for Future Research

Modifications to the Manage Your Money program could be made for future implementation. Firstly, a larger sample size would be beneficial in order to measure the effectiveness of the program on a larger scale. In order to increase validity and reliability, the addition of more widely used measures is recommended. It would be beneficial to incorporate separate groups of inmates based on their release dates. For example, in the future, it would be advantageous to provide a pre-release course for inmates close to leaving the institution, or a post-release course for inmates who have just left the institution. These time periods are when the inmates would benefit the most from this programming. Furthermore, institutional staff recommended changing the course delivery from 4, 2-hour sessions to 2, 4-hour sessions to utilize the participants time more appropriately. This format is more suitable for most institutional scheduling. Finally, in the future it is recommended that all participants be provided with an additional resource of activities and information related to each module in order to further promote learning. In the future, the MYM course could be of great benefit to offenders as they prepare to reenter society and support themselves financially.
References


PARTICIPANTS WILL LEARN ABOUT:
> INCOME TAX & RETURNS
> BANKING & BORROWING
> BUDGETING
> THE COST OF LIVING
> AND MUCH MORE

TO SIGN UP FOR MANAGE YOUR MONEY
PLEASE SEE: ________________________
Appendix B
Informed Consent Form

Project Title: Evaluating the Effectiveness of Manage Your Money Program with Adult Male Offenders.
Name of Institution: St. Lawrence College
Name of Agency: [Redacted]

Invitation:
You are being invited to take part in a research study. I am currently on placement at [Redacted]. As a part of this placement, I am completing a research project called an applied thesis. I would like to ask you for your help to complete this project. The information in this form will help you understand my project. Please read the information carefully and ask all the questions you might have before you decide if you want to take part.

Why is this research study being done?
The Manage Your Money (MYM) program is a financial literacy program that was developed to teach financial fundamentals such as banking and borrowing techniques, budgeting, taxes and more. This research aims to evaluate the effectiveness of this program in increasing participants’ financial knowledge.

What will you need to do if you take part?
If you choose to take part in this study you will be asked to attend 5, two-hour sessions with co-facilitators from St. Lawrence College. These sessions will take place at [Redacted] from November 9th until December 6th and will focus on financial literacy topics. You will be asked to complete three short financial literacy questionnaires prior to completing the program and one questionnaire at the end of the course. Each questionnaire will take between 5 to 15 minutes to complete.

What are the potential benefits of taking part?
Benefits of taking part in this research study may include learning practical financial skills that may be used in your future. Learning financial fundamentals such as borrowing techniques, budgeting, and taxes may help you to learn new financial skills to use in the future and to better prepare yourself for re-integration into your community.

What are the potential disadvantages or risks of taking part?
Risks from taking part in this research study are minimal but may include loss of time from work or other institutional activities.

What happens if something goes wrong?
Everybody is different and if you do have any negative feelings or emotions in regards to the learning material, you may talk to either of the co-facilitators, or other staff members within the penitentiary for support.
Will the information you collect from me in this project be kept private?

We will make every attempt to keep any information that identifies you strictly confidential unless required by law. You will be assigned a code number to enter on the questionnaires each time they are completed. The consent forms will be kept in a locked filing cabinet at the correctional institution. The computer files with the study data will be kept securely for 7 years, after which they will be destroyed. Your name and all other identifiers will not be used in any reports, publications, or presentations resulting from this project.

Do you have to take part?

Taking part is voluntary. It is up to you to decide whether or not to take part in this research project. If you do decide to take part, you will be asked to sign this consent form. If you do decide to take part in this research project, you are still free to stop at any time without giving any reason and without experiencing any penalty or negative effects. If you decide to stop, please speak to either of the co-facilitators of the program. If you choose to withdraw from the study, you can ask that your data not be used if you wish.

Consent

If you agree to take part in this research project, please complete the following form and return it to either co-facilitator as soon as possible. An additional copy of your consent will be retained at the agency and in a secure location at St. Lawrence College. By signing this form, I agree that:

- The study has been explained to me.
- All my questions were answered.
- Possible harm and discomforts and possible benefits (if any) of this study have been explained to me.
- I understand that I have the right not to participate and the right to stop at any time.
- I am free now, and in the future, to ask any questions I have about the study.
- I have been told that my personal information will be kept confidential.
- I understand that no information that would identify me will be released or printed without asking me first.

I hereby consent to take part.

<table>
<thead>
<tr>
<th>Participant Name</th>
<th>Signature of Participant</th>
<th>Date</th>
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<tbody>
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<table>
<thead>
<tr>
<th>Facilitator Printed Name</th>
<th>Signature of Facilitator</th>
<th>Date</th>
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July 28, 2016

Principal Investigator: Caley Penford
Research Study: Evaluating the Effectiveness of Manage Your Money Program with Adult Male Offenders

SLCREB #: 2016-REC01CP

This application was subject to:

[ ] Full Board Review  [✓] Delegated Review

Dear Ms. Caley Penford,

I am writing to advise you that the Research Ethics Board (REB) of St. Lawrence College has granted Ethics Clearance to the above-named research study.

You have one year to complete the project from the time of approval. Should you require more time to complete your project, you will be required to submit a Request for Continuation (or Amendment) of an Approved Project Form, in order to obtain ongoing ethics approval for your project. This must be submitted prior to REB approval expiry.

Any changes to the approved protocol or consent materials must be reviewed and approved through the amendment process prior to its implementation. Both a Request for Amendment of an Approved Project form and a revised SLC REB application must be submitted to the research office for review by the REB.

Any adverse or unanticipated events should be reported to the REB as soon as possible. The REB reserves the right to review your file at any time to ensure that research is being conducted in accordance with all SLC policies.

Once your project is complete, you are required to complete a Project Termination form. This form must be submitted as a final report about your research to the REB.

Best wishes for the successful completion of your project.

Sincerely,

[Signature]

James Morris-Pocock
Chair, Research Ethics Board

c. Cam McEachern, Director, Research
Letter of Approval- EXTERNAL PROPOSAL.S
Research Branch-NHQ

Dear Marie-Line Jobin,

I am writing to advise you that the EXCOM Sub-committee has approved the project titled "Evaluating the Effectiveness of Manage Your Money Program with Adult Male Offenders" on November 10th, 2016. You have two years to complete the project commencing from the date at which approval was provided. Should you require more time, you will be required to make a formal request for an extension, in writing, and providing that the request is received in advance of the expiry date.

Any changes to the approved project must be re-submitted for approval. All research findings and reports must be submitted to the Research Branch once the project has commenced and well in advance of publications or conference presentations.

Best wishes for the successful completion of your project.

Sincerely,

John Weekes
A/ Director

APPROVAL
It is agreed that all parties signing this agreement are satisfied with and will adhere to its terms and conditions of the research application and undertaking agreement.

<table>
<thead>
<tr>
<th>Principal Investigator (Academic Supervisor)</th>
<th>Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marie-Line Jobin</td>
<td></td>
<td>16/11/18</td>
</tr>
<tr>
<td>A/Director, Research</td>
<td></td>
<td>17/02/08</td>
</tr>
</tbody>
</table>

If PI is a student, include the date of graduation.
Please fill out the following questionnaire while reflecting on times previous to your incarceration.

1. **Which of the following statements best describes how well you typically kept up with your bills and credit commitments?**
   a. Real problems, behind on a lot of things.
   b. Okay, but a constant struggle.
   c. I don’t know.
   d. Okay, but occasionally a struggle.
   e. Not a struggle at all.

2. **How strongly do you agree with this statement “I was very organized when it came to managing my money on a day-to-day basis”?**
   a. Disagree strongly.
   b. Tend to disagree.
   c. Don’t know.
   d. Tend to agree.
   e. Agree strongly.

3. **How often did you check how much money you had available to you?**
   a. Never.
   b. Less than once a month.
   c. At least once a month but not every week.
   d. At least once a week but not daily.
   e. Every day.

4. **How accurately did you know how much money you had in all of your accounts combined?**
   a. I had no idea at all.
   b. I knew within $100.
   c. I knew within $50.
   d. I knew within $10.
   e. I knew within a couple of dollars.

5. **How long do you think you could have made ends meet if you lost your source of income?**
   a. Less than one week.
   b. More than a week but less than a month.
   c. More than a month but less than three months.
   d. More than three months but less than 12 months.
   e. 12 months or more.
6. How strongly do you agree or disagree with the statement: “I always have money saved for a rainy day”?
   a. Disagree strongly.
   b. Tend to disagree.
   c. I don’t know.
   d. Tend to agree.
   e. Agree strongly.

7. In your opinion, how important is it for people like you to keep up with financial matters, generally?
   a. Not at all important.
   b. Not very important.
   c. I don’t know.
   d. Quite important.
   e. Very important.

8. How important would it be for people like you to keep up with changes in pricing and to look out for deals on goods and services?
   a. Not at all important.
   b. Not very important.
   c. I don’t know.
   d. Quite important.
   e. Very important.
Please fill out the following questionnaire while reflecting on times previous to your incarceration.

Financial Interest:
1. I am very interested in financial matters and I take an active interest in my private finances. (1=not interested, 5=very interested)
   1 2 3 4 5

2. How interested are you in matters pertaining to your own finances? (1=not interested, 5=very interested)
   1 2 3 4 5

3. How interested are you in actively acquiring information about new ways of saving? (1=not interested, 5=very interested)
   1 2 3 4 5

4. I am knowledgeable about financial matters and economics. (1=not knowledgeable, 5=very knowledgeable)
   1 2 3 4 5

Self-Control:
5. How often would you borrow from friends or get extra money a few days before more money is released to you, because your expenses during the month have been too high? (1=not at all, 5=very often)
   1 2 3 4 5

6. How often would you buy something on impulse? (1=not at all, 5=very often)
   1 2 3 4 5

7. I had difficulties establishing regular saving habits. (1=never, 5=very often)
   1 2 3 4 5

8. I quickly spend money that I have saved away. (1=never, 5=very often)
   1 2 3 4 5

Attitude Toward Financial Risk Taking:
9. How would you describe the risks you have been taking when saving and investing money in your past? (1= not risky, 5= extremely risky)
   1 2 3 4 5
10. How important is it for you to avoid taking risks when you decide how to save money? (1=not important, 5=very important)
   1 2 3 4 5

Financial Control and Planning:

11. How well did you keep track of your spending? (1= not at all, 5= very well)
   1 2 3 4 5

12. I had good control over my savings. (1= no control, 5=great control)
   1 2 3 4 5

13. To what extent do you think it is necessary to plan for your future finances? (1= not necessary, 5= extremely necessary)
   1 2 3 4 5
Questions created from Manage Your Money session documents from Enactus, St. Lawrence College.

1. What is financial literacy?
   a. A field that focuses on the study of investments.
   b. Being able to create and manage a budget.
   c. **The ability to understand and interpret financial matters.**
   d. The field of money management and the long-term benefits.

2. What does projection mean?
   a. How you react to situations.
   b. **The way you feel about yourself, your environment and how you treat others.**
   c. Blaming others for your own mistakes.
   d. Letting past emotions carry over into current situations.

3. An individual with a(n) ______ locus of control believes that he/she is in control of his/her own future.
   a. External
   b. Bad
   c. Good
   d. **Internal**

4. What does the ideal locus of control look like?
   a. Always apologizing when you make a mistake.
   b. **Taking responsibility for your own actions and always trying your best.**
   c. Blaming other people when you make a mistake so that you do not have to deal with the consequences.
   d. Believing that everyone is trying to make you fail.

5. When making effective goals, what does the acronym S.M.A.R.T. stand for?
   a. Short, Manageable, Achievable, Realistic, and Timely.
   b. **Specific, Measureable, Attainable, Relevant, and Timely.**
   c. Specific, Manageable, Achievable, Relevant, and Transparent.
   d. Special, Measurable, Accurate, Reliable, and Testable.

6. How is your learning style connected to financial literacy?
   a. They are not connected.
   b. People who have a kinesthetic learning style are less financially literate than other learning styles.
   c. All learning styles are equally financially literate.
d. Understanding your learning style can help you to establish and complete your long and short-term goals.

7. What is cost of living?
   a. The level of prices relating to everyday items.
   b. The most amount of money that an individual or family will spend on basic expenses.
   c. The average amount of money an individual or family can expect to spend on basic expenses.
   d. The minimum amount of money it takes to keep your basic expenses covered.

8. What does the acronym COLA stand for?
   a. Common Other Living Adjustments.
   b. Cost of Living Adjustment.
   c. Compact Output of Living Arrangement.
   d. Cost of Logic Arrangement.

9. What is the General Minimum Wage as of October 1st, 2016?
   a. $11.25
   b. $11.40
   c. $11.00
   d. $10.50

10. What is the difference between salary and wage?
    a. Salary is a yearly amount divided by the number of pay periods in the year and wage is a rate per hour worked.
    b. Salary is a rate per hour worked and wage is a yearly amount divided by the number of pay periods in the year.
    c. They are the same thing.
    d. Salary always stays the same, whereas wage changes constantly.

11. How would you calculate your Net Pay?
    a. It is stated on the top of every paycheque, so you don’t need to make any calculations.
    b. Add the amounts on all of your paycheques together and you have your net pay.
    c. Total all of your vacation payments, add them to your gross earnings, and you’re left with your net pay.
    d. Total all of your deductions, subtract them from your gross earnings, and you’re left with your net pay.

12. Why do we pay income taxes?
    a. The government makes us.
    b. Income taxes fund many government services and initiatives.
    c. I don’t pay income taxes.
    d. Income taxes are returned every year with an interest bonus.
13. What is budgeting?
   a. Making a plan.
   b. Reflecting on your goals and priorities.
   c. Controlling and prioritizing your spending.
   d. All of the above.

14. What is the difference between a bank and a credit union?
   a. Individual people own banks, while credit unions are nonprofit organizations.
   b. Banks are interested in business and consumer accounts, whereas credit unions focus on individual accounts.
   c. Banks cost money and credit unions are free to use.
   d. A & B.
   e. All of the above.

15. Define “good debt”.
   a. When you know you’ll be able to pay the debt off within 6 months.
   b. You took on debt in order to purchase something that was a necessity.
   c. You thought about whether or not you should purchase it.
   d. You took on debt to purchase something that will increase in value.

16. Define “bad debt”.
   a. You took on debt to finance things that can be consumed.
   b. You took on debt in order to purchase a necessity.
   c. Your debt will take more than 6 months to repay.
   d. You impulsively purchased something without much thought.

17. Which one of the following is an advantage of a debt management plan?
   a. Relief from collection agencies.
   b. A single monthly payment.
   c. Reduced or zero interest chargers.
   d. All of the above.

18. Select all that are good strategies to avoid credit card fraud.
   a. Make sure that someone else has a copy of all of your information in case you lose your credit card.
   b. Check your statements every month and report any errors.
   c. Never update your pin or security information.
   d. Only use your credit card in emergency situations.

19. When investing, a savings investment is typically considered a _____ risk investment, whereas a stock investment is typically considered a _____ risk investment.
   a. Low risk, low risk.
   b. Low risk, high risk.
c. Moderate risk, high risk.

d. High risk, low risk.

20. What does RESP stand for?
   a. Registered Erasable Services Plan.
   b. Registered Electronic Service Plan.
   c. Registered Education Savings Plan.
   d. Registered Enhanced Savings Protocol.

21. Your mortgage should not exceed ___ of your gross income?
   a. 1/4.
   b. 1/2.
   c. 1/3.
   d. 1/5.

22. Which of the following is a discretionary payment?
   a. Mortgage payments.
   b. Groceries.
   c. Car insurance payments.
   d. Health insurance.

23. Why is it important to have good credit?
   a. To be able to buy a house.
   b. To be able to buy a car.
   c. In order to get a job.
   d. In order to qualify for lower interest rates.
   e. All of the above.

24. If someone is using devices and cameras to read your cards and steal your pin numbers, this would be considered _____.
   a. Malware.
   b. Phishing.
   c. Skimming.
   d. Dumpster Diving.

25. You should choose a fixed rate mortgage because _____.
   a. You are comfortable with fluctuations in your interest rate.
   b. You don’t anticipate needing to make any changes to your mortgage.
   c. You want to know exactly what your interest rate will be over the entire term.
   d. You anticipate having to pay out your mortgage before the end of the term.
Appendix G
Participant Feedback Survey (PFS)

This survey is to explore the usefulness of the delivery of the program content and to ensure proper modification is made if necessary. Information gathered through these questions will be used to evaluate program content and delivery and may be shared with others involved in the Manage Your Money program and as part of my academic requirement as a student in the Behavioural Psychology program at St. Lawrence College.

1. The information presented was what I intended it would be.
   
   Strongly Disagree  1  2  3  4  5  6  7  8  9  10   Strongly Agree

2. The information was helpful and easy to understand.
   
   Strongly Disagree  1  2  3  4  5  6  7  8  9  10   Strongly Agree

3. The workbook exercises were easy to understand.
   
   Strongly Disagree  1  2  3  4  5  6  7  8  9  10   Strongly Agree

4. The examples provided in the program were relevant.
   
   Strongly Disagree  1  2  3  4  5  6  7  8  9  10   Strongly Agree

5. The topic(s) discussed that I found most unhelpful were. (Please explain)

6. The facilitator(s) explained things in a way that I could understand. (Please explain)

7. The pace of delivery was good (not too fast, or too slow).
   
   Strongly Disagree  1  2  3  4  5  6  7  8  9  10   Strongly Agree

8. The skill(s) I learned will be useful to me.
   
   Strongly Disagree  1  2  3  4  5  6  7  8  9  10   Strongly Agree
9. Was there an item you expected to learn during the program but didn’t? (If yes, what?)

10. The thing(s) I found most interesting were:

11. The thing(s) I found most helpful were:

12. The thing(s) I would change about the program are:

13. How would you rate the program overall?

   Little Use  1  2  3  4  5  6  7  8  9  10  Very Useful

14. If you could sum up the MYM program in one sentence, what would it be?

15. Would you recommend this program to other offenders? (Circle one)

   YES    NO
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Financial literacy is the ability to understand and interpret financial matters. Financial literacy includes the knowledge to properly making decisions regarding certain personal finance areas, like real estate, insurance, investing, saving, tax planning, and retirement planning. It also involves in-depth knowledge of financial concepts, like compound interest, financial planning, the mechanics of a credit card, savings methods, consumer rights, and the value of money, etc.

Financial literacy is an important life skill that will aid you in your ongoing success as you are preparing to re-integrate as a productive member of your community.

Leaving the institution can be a very exciting, yet a challenging stage. A key to successfully transitioning into the community is having set goals in terms of financial matters. Beginning from a strong financial foundation can help to ease the stressors of reintegration, whether it is opening a bank account, buying property, saving for a vehicle, or finding steady employment.

With the right supports in place and the knowledge behind you, it’s possible to make and achieve all your financial goals.
Chapter Objectives:

- Describe your personality traits and attitudes and their influence on your ability to manage money.
- State the difference between self-image, self-esteem and projection.
- Define locus of control.
- **Discuss and recognize** your primary and secondary learning styles.
- Describe effective goal setting.
- Set a SMART goal.

### Key Terms

<table>
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<tr>
<th>Key Term</th>
<th>Definition</th>
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<tr>
<td>Auditory Learner</td>
<td>Someone who learns best by listening</td>
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<tr>
<td>Belief</td>
<td>A strong opinion or something that a person holds to be true</td>
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<tr>
<td>Goal</td>
<td>A target, or an aim that one is striving to achieve.</td>
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<tr>
<td>Kinesthetic Learner</td>
<td>Someone who learns best by doing</td>
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<tr>
<td>Learning Style</td>
<td>The method of how you best learn and interpret information.</td>
</tr>
<tr>
<td>Locus of Control</td>
<td>Who you believe controls your future</td>
</tr>
<tr>
<td>Self Esteem</td>
<td>How you view yourself</td>
</tr>
<tr>
<td>Self Image</td>
<td>Your belief of how others view you</td>
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<tr>
<td>Personality</td>
<td>A stable set of traits that assist in explaining and predicting an individual’s behaviours.</td>
</tr>
<tr>
<td>Personality Traits</td>
<td>A distinguishing quality or characteristic</td>
</tr>
<tr>
<td>Projection</td>
<td>The way you feel about yourself, your environment and how you treat others</td>
</tr>
<tr>
<td>SMART Goal</td>
<td>A method for setting goals that are specific, measurable, achievable, realistic and timely.</td>
</tr>
<tr>
<td>Values</td>
<td>Ideas that are important to you as an individual.</td>
</tr>
<tr>
<td>Visual Learner</td>
<td>Someone who learns best by seeing</td>
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All About You!

If you were to look in a mirror and say the first three words that immediately come to your mind, what would they be?

These three words are your “mirror words”. Mirror words describe the foundation of how you view yourself.

Self-Esteem, Self-Image, and Projection

What did you notice about your “mirror words”? Were those words positive, negative or both? Whatever you are feeling is a result of your self-esteem. Self-esteem is how you view yourself. Thoughts regarding your intelligence, attractiveness or ability to achieve a dream are examples of self-esteem. Self-image, however, is your belief of how others view you. If your self-esteem is positive and strong, you will reflect confidence and not worry about how others view your actions. If you are insecure you will rely heavily on what others think of you; hence, you will rely heavily on creating a favourable self-image. While it is important to show concern for what others think of you, it is more important to have a positive self-concept; not conceited, but self-confident. People are drawn to individuals who display a good attitude, are confident and consistently positive. If you believe in yourself, a positive self-image will follow without effort. It is easy to see the tremendous impact both personality and attitude have in the development of your self-esteem and self-image. The way you feel about yourself and your environment is reflected in how you treat others as well, this is called projection.
Personality, Values and Beliefs

Your behaviour is a reflection of your personality. Personality is a stable set of traits that assist in explaining and predicting an individual’s behaviours. For example, if you are typically organized at work or school and suddenly become disorganized, others may believe something is wrong.

**Personality**

Personality traits are defined as “a distinguishing quality or characteristic”. In other words, this means that personality traits are the distinguishing characteristics that make you, “you.” Personality traits are the unique set of characteristics and qualities that only you possess. While a lot of people might have similar personality traits, each person combines these traits in a different way, which makes each person an individual.

**Values**

Values are ideas that are important to you as an individual. Your personal experiences throughout your life before, during, and after your incarceration, and the influences of those in your life (positive or negative) shape your values. These influences include religion, family and friends. They influence social issues such as marriage, wealth, addictions issues, political views and materialism. For example, one individual may not value money because he or she has been told “money is the root of all evil”. Another individual values money because he or she has been taught that it is a valuable resource used to ensure a safe and secure future. Since values are ideas that are important to you, these will directly affect your personality. For example, if you have been taught that money is a valuable resource, you may be very careful in your spending. Your personality trait will be that of a diligent, hard working person that spends cautiously. If you have been told that you can get by in life drawing from social assistance, such as Ontario Works, you’re likely to settle for a lifestyle set below the poverty line.

**Beliefs**

A belief is a strong opinion or something that a person holds to be true. Faith in God is an example of a belief. Attitude takes shape in your behaviours as a result of your beliefs toward people, things, and situations. For example, you can either be caring or uncaring about how your peers feel about you. Your past success and failures affect your attitude. Your attitude is related to your personality, values, and beliefs. If you value money, then your attitude will be positive toward work because you value what you get in return; a paycheck. Attitude affects performance. An individual’s performance significantly influences a group’s performance. A group’s performance in turn impacts an organizations performance. Think
about a barrel of red apples. Place one bad apple in the barrel of good apples and over time, the entire barrel will spoil. That barrel reflects your personal goals and your workplace behaviours. Your attitude affects not only your performance but also the performance of those with whom you come in contact. Negative attitudes and affiliations may be contagious in some settings. This is known as a reciprocally negative situation. Behaviour affects behaviour. That is why it is so important to evaluate your personal influences.

Does this mean that you should avoid contact with anyone you believe is a bad influence? In situations where you can, absolutely. However, you can’t always avoid certain individuals, such as coworkers and classmates. It’s important to remain aware of the impact that others have on your life. If you continue to expose yourself to negative influences, you could lose sight of your goals, which may result in a poor attitude.

**Locus of Control**

The reality of your situation is that you will not be 100% surrounded by positive influences all of the time. You cannot control everything that happens in your life inside or outside of the institution. Your attitude is affected by who you believe has control over situations that occur in your life. The Locus of Control identifies who you believe controls your future.

An individual with an internal locus of control believes that he or she controls his or her own future. An individual with an external locus of control believes that others control his or her future.

Extremes on either end of the locus of control are not healthy. It is important to realize that your individual efforts and beliefs in your ability to perform well translate into your individual success. However, external factors also influence your ability to achieve personal goals. Take responsibility for your actions and try your best. You cannot totally control your environment and your future. Power, politics, and other factors discussed later in the text play an important part in the attainment of goals.

**Learning Styles**

Knowing you, involves also knowing your learning style. Your learning style is the method of how you best learn and interpret information. Having a clear understanding of your learning style can help you to get the best out of the world around you and benefit you in establishing your short and long term goals.
There are three primary learning styles: visual, auditory and tactile/kinesthetic. To determine what your dominant learning style is, perform this common exercise: Imagine you are lost and need directions. Do you:

A)  Want to see a map

B)  Want someone to tell you the directions, or

C)  Need to draw or write down the directions yourself?

If you prefer answer A, you are a visual learner. You prefer learning by seeing. If you selected B, you are an auditory learner. This means you learn best be hearing. If you selected C, you are a tactile/kinesthetic learner, which means you learn best by feeling, touching or holding. No one learning style is better than the other; however it is important to recognize your primary and secondary learning styles so that you can get the most out of your world. As a visual learner you may digest best by reading and researching. Auditory learners pay close attention to course lectures and class discussions. Tactile/kinesthetic learners will learn best by performing application exercise such as role-plays and physically writing down the course notes. As a tactile/kinesthetic learner you may learn better by “doing”. Recognize what works best for you and implement that method to maximize your learning experience. Also, recognize that not everyone learns that same way you do. By being aware of your learning style you are better equipped to communicate your needs to others and achieving a higher level of success in doing so.

Goal Setting

To realize the importance of goal setting in the institutional setting, you must first know what a goal is. A goal is a target-like the reward at the top of a ladder. To reach that reward, you need to progress up each step of the ladder. The degree of difficulty of your goal will determine how long it will take to get to the top. Each step on the ladder has to contribute to your achievement of the final reward and support your personal values.

Goals will help you become more focused; help you increase your self-esteem; and help you overcome procrastination, fear, and failure. Setting goals will help you become more successful in becoming a law-abiding citizen. By setting and focusing on goals your career plans will become more clear and meaningful.

Creating S.M.A.R.T goals can be the key to success, especially as you are preparing to transition from the institution to the community. S.M.A.R.T stands for Specific, Measurable, Attainable, Realistic and Timely.

Specific—A specific goal has a much greater chance of being accomplished than a general goal. To set a specific goal you must answer the six “W” questions:

› Who: Who is involved?
› What: What do I want to accomplish?
› Where: Identify a location.
› When: Establish a time frame.
› Which: Identify requirements and constraints.
› Why: Specific reasons, purpose or benefits of accomplishing the goal.

EXAMPLE: A general goal would be, “Get a job.” But a specific goal would say, “Write a resume, seek an employment center for services, bring resume to 3 possible places of employment”.

**Measurable**—Establish concrete criteria for measuring progress toward the attainment of each goal you set.

When you measure the progress of your goal you stay on track, reach your target dates, and experience the excitement of achieving a step toward your final goal. This excitement will help you to continue putting in the effort required for you to reach your goal.

To determine if your goal is measurable, consider the intensity, frequency and duration of your work on that specific goal. Ask yourself questions such as, how much am I going to do? How many times a week am I going to do it? How will I know when my goal is accomplished?

**Achievable**—When you identify goals that are most important to you, you begin to figure out ways you can make them a reality. You develop the attitudes, abilities, skills, and financial capacities to reach them. You may begin seeing previously overlooked opportunities to help you achieve your goals (participating in this program).

You can reach almost any goal you set when you plan your steps wisely and establish a time frame that allows you to carry out those steps. Goals that may have seemed far away and out of reach eventually move closer and become attainable. This is not because your goals shrink, but because you grow and expand to match them. When you list your goals, you build your self-image. You see yourself as worthy of these goals, and develop the traits and personality that allow you to possess them.

**Realistic**—To be realistic, you have to be willing and able to work towards your goal. A goal can be both difficult and realistic; you are the only one who can decide just how difficult your goal should be.

A high goal is frequently easier to reach than a low one. This is because a low goal exerts low motivational force. Some of the hardest jobs you ever accomplished actually seem easy simply because they were a labor of desire.

**Timely**—A goal should be grounded within a time frame. With no time frame tied to it there is little sense of urgency. If you want to save up for first and last month’s rent for an apartment, you’ll have to consider when you want to save the money by. “Someday” is
not a goal that will work. But if you consider a realistic timeframe, “by May 1st, 2017”, then you’ve set your mind into motion **beginning to work on this goal**. Your goal is probably realistic if you truly believe that it can be accomplished. Additional ways to know if your goal is realistic is to determine if you have accomplished anything similar in the past or ask yourself what conditions would have to exist to accomplish this goal. To build on our example of where goals may fail should they not be formatted in a SMART way, health and fitness clubs make the vast majority of their membership sales in the months of January – March, as this is when the big push from New Year’s resolutions brings new customers through their doors. These people tend to set goals such as “I’m going to lose weight in the New Year.” This unstructured goal generally has the same outcome for these people, come March, they are no longer attending the gym and have not met their goal of losing weight. Success comes to those who apply the SMART model to their goals “I am going to purchase a gym membership, attend the gym 3 times per week, joining in to the structured exercise class, to lose 10 lbs. between January 1st and March 1st. I will track my trips to the gym each time I attend and weigh myself every Monday until March 1st to see if I have achieved my goal.”

**Making the Connection**

Now that you have read through, You! Past, Present and Future, lets connect the dots.

Reflecting on the information and your mirror words, how would you make the connection? List three each for the below headings. *****

<table>
<thead>
<tr>
<th>Personality Traits</th>
<th>Your personal values</th>
<th>Your belief towards money</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1.</td>
<td>1.</td>
</tr>
<tr>
<td>2.</td>
<td>2.</td>
<td>2.</td>
</tr>
<tr>
<td>3.</td>
<td>3.</td>
<td>3.</td>
</tr>
</tbody>
</table>

Describe some of the major influences in your life, past as well as present, with regards to finances, the value of money etc. and how they impact you now.

__________________________________________________________________________________________

__________________________________________________________________________________________

__________________________________________________________________________________________

Describe how your learning style is connected to financial literacy.

__________________________________________________________________________________________

__________________________________________________________________________________________

__________________________________________________________________________________________

Describe whether you see yourself as having an internal or external locus of control. What would the ideal locus of control look like?

__________________________________________________________________________________________

__________________________________________________________________________________________

__________________________________________________________________________________________
Have you ever created a goal previously that did not workout? What was it and why did it not work out?

Did you experience any challenges/barriers while working towards your goal?

How did you overcome these challenges/barriers? Could you work around them?

Using the SMART table below, re-create the goal above or design a new goal that you would like to achieve:

<table>
<thead>
<tr>
<th>Smart Goal Worksheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal Worksheet</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Specific</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Measurable</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Achievable</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Realistic</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Timely</td>
</tr>
</tbody>
</table>
**Cost of Living and Income Taxes**

**Chapter Objectives:**

› Describe the “cost of living” and how it affects you.

› Describe the importance of applying consumer knowledge to purchase decisions.

› Understand payroll deductions.

› Identify the difference between gross and net income.

› **Understanding how to file your tax return.**

› Define needs, wants and priorities.

› Describe the importance of setting priorities

**Key Terms**

<table>
<thead>
<tr>
<th>Key Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPP</td>
<td>Canada Pension Plan provides a basic benefits package for retirees and disabled contributors.</td>
</tr>
<tr>
<td>Commission</td>
<td>A type of income that is a percentage of a selected &quot;type amount.</td>
</tr>
<tr>
<td>Cost of Living</td>
<td>The average amount of money an individual or family can expect to spend on food, clothing, housing, heat, utilities, transportation and other basic expenses.</td>
</tr>
<tr>
<td>CRA</td>
<td>Canada Revenue Agency administers tax laws for the Government of Canada.</td>
</tr>
<tr>
<td>EFT</td>
<td>Electronic Funds Transfer is a system of transferring money from one bank account directly to another without any paper money changing hands.</td>
</tr>
<tr>
<td>EI</td>
<td>Employment Insurance that allows individuals who have recently lost a job to receive financial assistance.</td>
</tr>
<tr>
<td>Emotional Purchase</td>
<td>A purchase made to satisfy an emotional need or desire.</td>
</tr>
<tr>
<td>ESA</td>
<td>Employment Standards Act which regulates the minimum wage</td>
</tr>
<tr>
<td>Gross Earnings</td>
<td>The total of all of your cash earnings, including regular pay (i.e., your straight salary or your hourly rate times the number of hours worked in the pay period), overtime pay, and vacation pay.</td>
</tr>
<tr>
<td>HST</td>
<td>Harmonized Sales Tax of 13% on the sale of most goods and services, though some are exempt.</td>
</tr>
<tr>
<td>Impulse Purchase</td>
<td>A purchase made is an unplanned decision to buy a product or service.</td>
</tr>
<tr>
<td>Informed Purchase</td>
<td>A purchase made after careful consideration of alternatives</td>
</tr>
<tr>
<td>Income Tax</td>
<td>Tax levied by the government directly on income.</td>
</tr>
<tr>
<td>Income Tax Return</td>
<td>The tax form or forms used to file income taxes. Tax returns often are set up in a worksheet format.</td>
</tr>
<tr>
<td>Inflation</td>
<td>The rate at which the general level of prices for goods and services is rising, and, subsequently, purchasing power is falling.</td>
</tr>
<tr>
<td>Minimum Wage</td>
<td>The lowest wage an employer can legally pay their employees</td>
</tr>
<tr>
<td>Need</td>
<td>Something that is essential, a necessity that is required for everyday life</td>
</tr>
</tbody>
</table>
The Cost of Living

The Cost of Living refers to the average amount of money an individual or family can expect to spend on food, clothing, housing, heat, utilities, transportation and other basic expenses. **In other words, needs that are impossible to ignore.** In Canada, the cost of living varies from one community to another and is difficult to estimate with absolute accuracy. Every family encounters unexpected expenses. The cost of food and other items also fluctuates. Visits to the dentist, prescription medicines, some school expenses, and long-distance telephone calls are other expenses common to many households. **Brainstorm the differences between what your cost of living is while you are incarcerated and what your cost of living will be when you are released.**

If you have a job, your take-home pay will be reduced by mandatory deductions for income tax, Canada Pension Plan (CPP, rate of 4.95% to a maximum of $2306.70) and employment insurance (EI, rate of 1.73% to a maximum of $839.97). Some workers also pay union dues, medical and dental insurance or contribute money into a retirement savings plan (RSP), which further reduces the amount of money they take home. Canadians are required to pay taxes on their purchases. The federal government collects a Harmonized Sales Tax (HST) of 13% on the sale of most goods and services, though some are exempt. **We will look into this more later in this chapter.**

**C.O.L.A.**

The government has also begun a protective program called COLA, **cost of living adjustment**, which is in place to offer protection to citizens with regards to the **cost of living.** For example, those who are living on their social security would be protected as the cost of living increases; adjustments can be made to their income to maintain their living.

This is a result of what happened during the 1970s, inflation was really high, and as a result compensation related contracts, real estate contracts, and government benefits, led to the popularized usage of COLAs to protect **lower-income families** against inflation. As the cost of living may change, types of income or wages can increase to reflect the changes. For example, minimum wage is the lowest wage an employer can legally pay their employees. The Employment Standards Act (ESA) regulates this wage. The following table (page 18) shows the changes to minimum wage in Ontario from 2007-2014. The Ontario minimum wage had remained constant since March 2010 but was increased as of **October, 2016.**

---

<table>
<thead>
<tr>
<th>Key Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Pay</td>
<td>Total all your deductions, subtract them from your gross earnings, and you would be left with your net pay. That is what you will be taking home.</td>
</tr>
<tr>
<td>Piecework</td>
<td>A rate of pay per unit of production</td>
</tr>
<tr>
<td>Priorities</td>
<td>What needs to be done and in what order</td>
</tr>
<tr>
<td>Salary</td>
<td>A yearly amount, divided by the number of pay periods in the year</td>
</tr>
<tr>
<td>Wage</td>
<td>A rate per hour worked</td>
</tr>
<tr>
<td>Want</td>
<td>Something that is wished for, a desire or something that is not necessarily needed for survival.</td>
</tr>
</tbody>
</table>
Another major influence to the cost of living is gas prices, as when gas prices rise, a noticeable change to everyday expenses can occur as well. For example, when gas prices rise, its costs transportation companies more to ship goods and in turn they may charge more for their products in order to compensate their travel expenses. Below is a look at the changes in gas prices beginning in 2005 to present day.

![Gas Price Chart](image)

The following is related to youth participants of the Family and Children’s Services.

The cost of living also affects supports for low-income working individuals and families. Ontario provides support for low-income to moderate-income families through the Ontario Child Benefit (OCB). In July 2014, the government increased the annual benefit to $1,310 per child. In July 2015, the government is proposing to tie future increases to the OCB to inflation in Ontario.

In October 2015, the government introduced legislation to tie the minimum wage to inflation in Ontario. In October, 2016 minimum wage went up to $11.40.

In 2014-2015, the government funded the Community Homelessness Prevention Initiative (CHPI) by $42 million to a total of $294 million.
TYPES OF INCOME AND THE WORKING WORLD

Once you begin working, there are a few different ways that you will get your money in hand, so to speak. Your basic earnings can be paid in four major ways:

› **Salary:**
  A yearly amount, divided by the number of pay periods in the year. For example, $26,000 divided by 26 pay periods equals a gross biweekly salary of $1,000.

› **Wages:**
  A rate per hour worked, ex, $10.25 per hour x’s the number of hours worked.

› **Piecework:**
  A rate of pay per unit of production, ex, $1.00 per box of peaches picked.

› **Commissions:**
  A percentage of a selected “base” amount, ex, a real estate agent’s commission on the price of a house is on average 3.5%-5% split between two agents, selling and listing.

Pay periods vary but the most common are biweekly (60% of us are paid 26 times a year), followed by semimonthly (24 times a year), and weekly (52 times a year, common in construction and the restaurant industry). About 95% of people are paid on Thursday or Friday.

In addition to being required to pay employees on a regular payday, employers must pay any other amounts owed—such as overtime pay, general holiday pay, or severance pay—within a specified time, which varies by jurisdiction.

Employees are usually paid by electronic funds transfer (EFT), this means that the money is deposited directly into your bank account, or the old-fashioned payroll cheque. Though it has connotations of an “under-the-table” transaction, an employer may choose to pay an employee in cash. However, the employer still has to withhold and remit the required source deductions, report to and maintain records for the government, and provide a pay statement.
The Anatomy of a Paycheque

Anyone who has ever cashed a paycheque knows that there’s a big difference between what you make and your actual take-home pay. Let’s review a typical paycheque and decipher what each component means.

### Pay Statement

<table>
<thead>
<tr>
<th>Component</th>
<th>Current Period</th>
<th>YTD Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Earnings</strong></td>
<td>Rate</td>
<td>Current Hours</td>
</tr>
<tr>
<td>Regular Pay</td>
<td>25.00</td>
<td>80</td>
</tr>
<tr>
<td>Bonus</td>
<td>0.00</td>
<td>0</td>
</tr>
<tr>
<td>VAC Pay</td>
<td>0.00</td>
<td>0</td>
</tr>
<tr>
<td><strong>Gross Earnings</strong></td>
<td>2,000.00</td>
<td>320</td>
</tr>
<tr>
<td><strong>Statutory Deductions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C/QPP</td>
<td>95.82</td>
<td></td>
</tr>
<tr>
<td>EI</td>
<td>36.68</td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>350.90</td>
<td></td>
</tr>
<tr>
<td><strong>Total Statutory Deductions</strong></td>
<td>483.40</td>
<td></td>
</tr>
<tr>
<td><strong>Taxable Benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic Life</td>
<td>9.47</td>
<td></td>
</tr>
<tr>
<td>ER RRSP</td>
<td>60.92</td>
<td></td>
</tr>
<tr>
<td><strong>Total Taxable Benefits</strong></td>
<td>70.39</td>
<td></td>
</tr>
<tr>
<td><strong>Total Taxable Earnings</strong></td>
<td>2,070.39</td>
<td></td>
</tr>
<tr>
<td><strong>Total Deductions</strong></td>
<td>688.87</td>
<td></td>
</tr>
<tr>
<td><strong>Net Pay</strong></td>
<td>1,433.53</td>
<td></td>
</tr>
</tbody>
</table>

This is not a cheque. NON-Negotiable.
Name & Address (#1): This is your name and address. Be sure to check that your employer has all the correct information.

Pay Period Information (#2): This identifies what period of work you are being paid for.

Rate & Hours Information (#3): This shows how many hours you are being paid for and at what rate. Be sure that this is accurate for the pay period.

Gross earnings (#4): The total of all of your cash earnings, including regular pay (i.e., your straight salary or your hourly rate times the number of hours worked in the pay period); overtime pay; and vacation pay.

Statutory deductions (#5): An employer has a legal obligation to withhold statutory deductions, which, in order of priority, are: CPP or QPP (Quebec only) contributions, EI and QPIP (Quebec only) premiums, and federal and provincial income tax. Everywhere except in Quebec, provincial tax is collected as part of the federal income tax deduction. Quebec has separate deductions for federal and provincial taxes.

Net pay (#6): Total all your deductions, subtract them from your gross earnings, and you’re left with your net pay. That’s what you’re actually taking home.

What else appears on the paycheque?

All jurisdictions require at least, that the following be noted on an employee’s pay stub or statement of wages: the employee’s name, the date of the pay period, the rate of pay and hours worked at each rate, gross earnings, itemized deductions, and net pay. Different jurisdictions might have their own additional requirements of what has to be documented.

INCOME TAXES AND FILING RETURNS

Once you can begin working and earning money, you also have responsibilities to fulfill. Each year, the Government of Canada requires you to file a tax return to the Canada Revenue Agency. Let’s explore this a little further.

Income Taxes are levied by the government of Canada for a variety of reasons. Every person or organization that has an income is expected to pay income taxes. In Canada, violating the terms of payment or even absenting yourself from paying the income taxes might invite harsh penalties from the Canadian Government.

Not all people have to pay the income tax and not all people need to pay the same amount of tax. The department of income tax of the Government of Canada has made provisions for certain persons exempting them from paying their taxes. For those who have to pay the taxes, there are tax tables which specify for what amount of income how much of tax will be required to be filed.
What are the income tax rates in Canada for 2014?

These are the rates that an individual would use when completing their 2014 income tax and benefit return. The information may change during the year to reflect updates to the law.

Federal tax rates for 2016

- 15% on the first $45,282 of taxable income,
- 20.5% on the next $45,281 of taxable income (on the portion of taxable income over $45,282 up to $90,563),
- 26% on the next $49,825 of taxable income (on the portion of taxable income over $90,563 up to $140,388),
- 29% on the next $59,612 of taxable income (on the portion of taxable income over $140,388 up to $200,000),
- 33% of taxable income over $200,000.

Provincial tax rates for 2014

- 5.05% on the first $40,922 of taxable income,
- 9.15% on $40,923 to $81,847,
- 11.16% on $81,848 to $150,000
- 12.16% on $150,001 to $220,000
- 13.16% on taxable income of $220,001 and above.

The income tax return forms an integral part of your income tax. Filing your income tax return is as important as filing your taxes itself. The reason you need to file your return is simple. It is an easy way of estimating your credit worthiness. It might help you secure a loan or two from banks and even from certain other financial institutions. The income tax return is a form that contains a certain number of particulars. The form is an inquiry about your personal data and financial data. It asks about the amount of taxes that you have paid based on your income level. There are various forms and applications available for different categories of incomes and methods of incomes.

Most countries, and particularly Canada, do not tolerate tax violations. Even absenting yourself from filing of your income tax returns will attract certain stringent measures from the income tax personnel. For those who have filed their income tax returns, the government offers certain deductions that might in turn be a blessing for most of the people.

Filing of your taxes is a constitutional duty of every individual who earns a taxable income. Likewise, filing your income tax returns is also mandatory for every person. The taxes paid help the development of the country and hence it is required that every person pays their taxes and files their income tax returns. Money collected through taxes is used in order to provide free healthcare, education, and road maintenance.
Do you have to file an income tax return?

You must file a return if any of the following situations apply:

› You have to pay tax.

› The government sent you a request to file a return.

› You and your spouse or common-law partner elected to split pension income. You received Working Income Tax Benefit (WITB) advance payments in 2014.

› You disposed of capital property (for example, if you sold real estate or shares).

› You have to repay any of your Old Age Security or Employment Insurance benefits.

› You have not repaid all amounts withdrawn from your registered retirement savings plan (RRSP) under the Home Buyers’ Plan or the Lifelong Learning Plan.

› You have to contribute to the Canada Pension Plan (CPP).

› You are paying Employment Insurance premiums on self-employment and other eligible earnings.

Even if none of these requirements apply, you may still want to file a return if any of the following situations apply:

› You want to claim a refund.

› You want to claim the WITB.

› You want to apply for the GST/HST credit.

› You or your spouse or common-law partner want to begin or continue receiving Canada Child Tax Benefit payments.

› You have incurred a non-capital loss that you want to be able to apply in other years.

› You want to carry forward or transfer the unused part of your tuition, education, and textbook amounts.

› You want to report income for which you could contribute to an RRSP in order to keep your RRSP deduction limit for future years up to date.

› You want to carry forward the unused investment tax credit on expenditures you incurred during the current year.

NEEDS WANTS AND PRIORITIES

Whether you are contemplating what to buy at the canteen or what to spend on groceries each week, it is important to understand what is motivating you to spend your money. This will help you to determine whether or not your purchase is necessary. A need is defined as something that is essential: a necessity that is required for everyday life.
Some examples would include food, shelter and clothing. When thinking in terms of purchasing, items that fall into the category of need rank higher in terms of your priority list.

**Priorities** determine what needs to be done and in what order. Juggling priorities is the key to reaching goals. You may need to adjust priorities to reach certain goals. Before priorities can be put in order, you need to determine what they are. Sometimes your first priority is not necessarily what’s most important in life; it is just that a particular activity demands the most attention at a specific point in time.

Be prepared to be flexible in all areas of your life plan. When working towards goals flexibility is important. Times change, technology changes, opportunities change and your priorities may change as well. Reevaluate your goals often and at times you may need to update or revise them; do not give up on them.

Some purchases are not ranked as high in terms of priorities and are more of a want versus a need. A **want** is defined as something that is wished for, a desire or something that is not necessarily needed for survival. Examples of a want may include buying a bigger house, purchasing a brand new vehicle or planning a vacation or holiday.

What motivates us to make the purchases that we do? Sometimes after weighing the pros and cons and considering all the needs, wants and prioritizing we are still inclined to make a purchase based on **emotions**. Other times, we are motivated by that **impulsive** need to spend our money. It is important to be able to reflect on the type of spender you are and knowing your triggers in terms of risky purchase decisions.
An **impulsive purchase** can be made when you are waiting in the check-out line and the As Seen on TV stand of goodies catches your eye. You make a quick decision given your physical environment and being pressed for time.

An **emotional purchase** could be the dog or cat you bought because you were feeling alone, despite not having the funds to cover your other expenses.

An **informed purchase** could be that new laptop that you have been saving up for, and researched a number of hours about to ensure it suited your needs best and compared its cost to several different stores to get the best deal.

Over time, technology evolves and new products hit the market on a daily basis in our day and age. This is a great area to find examples of applying consumer knowledge to purchase decisions. We’ve all seen or heard of the lines of people at **stores throughout the night**, itching to get their hands on the latest gaming system or computer innovation. Whatever motivates these people to purchase these items can be a learning opportunity for us all. We have seen over the year’s technology (such as the VCR) come out with a bang, and fade out in popularity quickly. Delaying the gratification of having the newest and best of something can save you a lot of money in the long run, if you exhibit patience, consider your needs, wants, and prioritize your spending.

**Making the Connection**

Now that you have read through the Cost of Living chapter, let’s connect the dots!

If the cost of living adjustment (COLA) did not exist how could that affect you?
Describe the difference between a need and a want in terms of purchasing decisions.

Give an example of something that you convinced yourself was a need and went ahead to purchase. Were your self-esteem or self-image a factor in making this purchase?

Considering the following 5 items, check off if it is a need, a want, and then rank them in terms of priority on a scale of 1-3 (1 being high priority and 3 being low priority).

<table>
<thead>
<tr>
<th>Item</th>
<th>Need</th>
<th>Want</th>
<th>Rank in terms of priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lunch in the school cafeteria</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas money to a friend who is giving you a ride to work</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movie on cheap night at the</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New pair of jeans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New bike</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Did you struggle with identifying any of the previous items as a need versus a want? Explain which ones and why.

Describe how you may have control over what your pay stub “looks like”? Can you control the information that is on it?

The table below outlines a simple tracking chart for your expenses and income. This example shows an account that began the day at $100.00, and after three purchases was reduced to $6.77.

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Need or</th>
<th>Priority</th>
<th>Purchase or Income?</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/01/14</td>
<td>X-Box game</td>
<td>Want</td>
<td>1</td>
<td>$62.09 purchase</td>
<td>$37.91</td>
</tr>
<tr>
<td>01/01/14</td>
<td>Lunch at A&amp;W, mall food court</td>
<td>Need</td>
<td>2</td>
<td>$6.14 purchase</td>
<td>$31.77</td>
</tr>
<tr>
<td>01/01/14</td>
<td>Cell Phone Card</td>
<td>Need</td>
<td>1</td>
<td>$25.00 purchase</td>
<td>$6.77</td>
</tr>
</tbody>
</table>
When you are looking at the expenses that have been tracked, you can also consider how long it may have taken to earn the amount needed to cover the purchases that were made in one day. For example, if you are working a part-time job, for minimum wage at $11.25 per hour (as of 1 October 2015), how long would you have to work to have the $93.23 in expenses that were accrued that day? What other variables to your paycheque would you have to consider?

In answering the previous question, have any of your rankings in terms of priorities and establishing if this purchase was a need or a want changed? Explain.

Using the table below, compare an item between three different stores to get the most bang for your buck.

<table>
<thead>
<tr>
<th></th>
<th>Store 1 -</th>
<th>Store 2 -</th>
<th>Store 3 -</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand name</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store specific brand option, example no frills no name</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Store 1 -</td>
<td>Store 2 -</td>
<td>Store 3 -</td>
</tr>
<tr>
<td>--------------------</td>
<td>-----------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td>Price</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return/refund policy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special features</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other notes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Chapter objectives

› Describe the importance of personal financial management/budgeting.
› Explain and create a working budget.
› Find the most appropriate account for your needs.
› Describe compound interest.
› Identify wise use of credit.
› Explore the difference between banks and credit unions.
› Identify the difference between “good” and “bad” debt.
› Describe the consequences of acquiring “bad debt”.

Key Terms

<table>
<thead>
<tr>
<th>Key Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>A detailed financial plan used to allocate money for a specific time period</td>
</tr>
<tr>
<td>Chequing Account</td>
<td>A deposit account offered by financial institutions for managing day-to-day financial transactions, such as paying bills, making purchases with a debit card, depositing your paycheque, and sending or receiving email money transfers. A chequing account is a good way for most people to manage their day-to-day banking needs.</td>
</tr>
<tr>
<td>Credit Card</td>
<td>Issued by a financial company giving the holder an option to borrow funds, usually at point of sale.</td>
</tr>
<tr>
<td>Debt Management Plan</td>
<td>A service provided by the Ontario Association of Credit Counsellors. These are non-profit agencies created to help individuals experiencing financial distress. It is a voluntary agreement between you and your creditors.</td>
</tr>
<tr>
<td>Expense</td>
<td>This is money being spent. Examples of some expenses associated with being a student include tuition, textbooks, school supplies, transportation etc. Expenses you have because of life needs include food, shelter, clothes etc.</td>
</tr>
<tr>
<td>GIC</td>
<td>Guaranteed Investment Certificate is an investment option that is generally considered low risk.</td>
</tr>
<tr>
<td>Income</td>
<td>The money coming in. This money may come from your parents/caregivers, grants, student loans, and/or employment</td>
</tr>
<tr>
<td>Payday Loan</td>
<td>A type of short-term borrowing where an individual borrows a small amount at a very high rate of interest.</td>
</tr>
<tr>
<td>Personal Financial Management</td>
<td>The process of controlling your income and your expenses.</td>
</tr>
<tr>
<td>RRSP</td>
<td>Registered Retirement Savings Plan is a legal trust registered with the Canada Revenue Agency and used to save for retirement</td>
</tr>
<tr>
<td>Savings Account</td>
<td>A deposit account offered by financial institutions that pays interest on your deposits (the principal) and is a good way to save money for short-term goals.</td>
</tr>
<tr>
<td>TFSA</td>
<td>A Tax-Free Savings Account is a kind of savings account registered with the federal government. It allows you to earn investment income without paying taxes.</td>
</tr>
</tbody>
</table>
Financial Management and Budgeting

Personal financial management is the process of controlling your income and your expenses. Your **income** is the money coming in. This money may come from employment, your family/friends, loans, and/or Ontario Disability Support Program (ODSP). While you are incarcerated income may be minimal, however once you re-integrate into the community, you might begin to look for employment, and start your new career and your income could increase. Although you should be careful handling your money presently, this becomes even more important later in the community when you have full accessibility to your finances.

**An expense** is money going out. This is money being spent. Examples of some expenses associated with being an employee include, transportation, uniform, groceries for meals, supplies/tools/materials for employment, etc. Expenses you have because of life needs include food, shelter, clothes etc. Then there are other expenses such as for hobbies, entertainment and miscellaneous activities.

The best way to manage your money and still be able to buy some of the extras you want is to create a budget. A **budget** is a detailed financial plan used to allocate money for a specific time period. A budget reflects your goals and specifies where your money goes in order to reach these goals. The objective of a budget is to control and prioritize your spending to match these goals. Be as precise and honest as you can when you are creating and working with a budget.

There are many different types of budgets that you can create for everyday situations or a onetime need. For example you can create a budget for your everyday expenses and to maintain a healthy financial management system. You can also create specific budgets, for example for a trip you may be planning, a vehicle or a wedding.

**Cash management** is the key to good budgeting. Carry only a small amount of cash with you and keep track of what you are carrying. It is too easy to use cash and you will usually spend more cash if you have it readily available. A good cash management practice is to track every single transaction you make. Keeping a mental record of how much money you have and are spending results in inaccurate accounting. Many individuals forget how much money has been spent and where it has gone. Physically record all deposits and withdrawals made with your debit card or bank teller. Reduce your trips to the ATM as well. Budgeting may seem daunting, but it doesn’t have to be complicated. It’s not so much what you make but how you spend it that’s most important. And in order to know how to stay in the black, you need a budget, the roadmap that tells you how much you have coming in and where it all goes.
### 1. Gather the facts

It all starts here. Find your financial records for the last three months or so. This includes bank statements, credit card statements, recurring bills and bills for things such as heat, water, hydro, cable, cell phones etc. Don’t forget to include all your little extras in terms of spending, for example, morning coffee, magazines, buying lunch etc. Those expenses will be crucial when you are looking for places to trim down.

### 2. Create a worksheet

Once you have the facts you have to organize them in a way that gives you a clear picture of what you spend on and on what. It may not be pretty, but it will tell you what you need to know. The best way is to use a worksheet. The Financial Consumer Agency of Canada (FCAC) is a federal agency whose job is to protect and inform consumers about financial services. The FCAC online resources include a number of tip sheets and workable spreadsheets to help you to plug your own expenses into a budgeting format.

### 3. Fixed vs. discretionary spending

You can now break your spending into fixed and discretionary costs. Fixed costs are such things as mortgage or rent, car payments, and insurance. You must pay them every month and usually don’t change in terms of the amount. You have more control over discretionary expenses. You have to buy groceries, but you do not need Haagen-Dazs super premium ice cream. Other areas to take a look at include gasoline, dining out, movies, clothes and that latte every morning. Small things can add up quickly.

### 4. Rules of thumb

Your housing costs should be less than about one-third of your gross income, financial planning experts say. That includes heat, hydro and property taxes. The Canada Home Mortgage Corp. has a mortgage affordability calculator to help you crunch the numbers. Another rule of thumb is that your monthly debt payments should not exceed 40 percent of your gross monthly income. This includes housing, and such things as car loans and credit payments.

### 5. Pay yourself first

You have heard this one before. That things like car loans and credit cards saves money. Try to put away 10 percent of each pay cheque, preferably using an automatic debit on payday. Build that into Step 2 when you are creating your budget.

### 6. Cut out non-essentials

Do you really need to buy lunch five days a week? Can you live without that $5 skinny cappuccino? Make it a treat rather than a fixture. You might be able to eat out less often, or dine at a less expensive restaurant. Try leaving your debit or credit card at home to avoid impulse purchases.

### 7. Pay more than the minimum

When it comes to your debt, interest rates are everything. Pay bills on time to avoid service charges and sky-high rates on credit cards. Pay more than the minimum balance. For instance, if you owe $1,000 on a MasterCard that charges 18% interest and the minimum payment is $40 per month, it will take you nearly two and a half years to pay off the debt – and you’ll wind up paying close to $1,263! Industry Canada has a calculator that can help you compare VISA and MasterCard against store specific credit cards, lines of credit, and rent to own programs. You can also change the minimum payment and interest rate information.

### 8. Save for a rainy day

For safety, your best bets are a high interest savings account. You’d be lucky to get an annual rate of 2% or 3 percent, if at all, in your savings account. Find an account with minimal fees or consider a Tax-Free Savings Account.

### 9. Review and adjust

Review your budget regularly to make sure that you are staying on track. Compare actual spending to the budget and look closely at instances when you’ve spent more than you planned. Was your plan realistic? Should you adjust by cutting in one place and adding in another? Your spending patterns will change some from month to month, but by keeping track of your income and expenses carefully, you know exactly where your money goes.

### 10. Build in a reward

You endured the pain, so build something in to reward yourself for sound financial management. You should reward yourself when you meet your goals by having a dinner out or getting new shoes, and then get back to the budget!
WHERE SHOULD I KEEP MY MONEY?

Now that you have begun working, and started to create a budget for your income and expenses, dealing with a financial institution is another major step involved in personal financial management. If you have not already done so, you will need to open an account with either a bank branch or credit union.

There are a few differences between a bank and a credit union:

➤ **Ownership:**
The most important difference between the two institutions is the ownership. All banks are owned by a person, persons or stockholders. They are largely for-profit entities, which strive to continually make money for anyone invested in the bank itself. A credit union, however, is usually a nonprofit organization that is owned by the membership of the union, namely the people who hold accounts. This places the individual account holders of a credit union at a huge advantage as they have a direct say in how the operation is run. Also, this can mean lower interest rates on loans as there isn’t a giant push to increase equity.

➤ **Business Focus:**
Banks and credit unions provide many of the same services, but their overall focus is usually different. A bank is mostly interested in business and consumer accounts. This includes all business and credit loans and can include mortgage loans as well. A bank makes the most of its money from these accounts from interest and fees, so it is within its best interest to keep these types of accounts at the forefront of its business. Because a credit union is smaller in scope, its focus tends to be on individual accounts, consumer deposits and small loans. While not having the type of capital a business owner might be looking for, credit unions are great for individual consumers and personal loans.

WHAT EXACTLY IS A CREDIT UNION?

Credit unions are co-operative financial institutions, owned and controlled by their members. One of the fundamental principles of a credit union is democratic control. As shareholders, all credit union members have a voice in setting their credit union’s direction at the local level. Each credit union member has one vote, regardless of the amount of deposits or shares they have in their credit union. Members also elect their credit union’s board of directors, which is responsible for governing their credit union.

While each credit union is an independent, democratic and locally-controlled financial institution, all credit unions share a common bond: their dedication to the people and communities they serve.

Currently, about one out of every three Canadians belongs to a credit union.
TYPES OF ACCOUNTS

There are two main types of accounts, at either a bank or credit union that you will likely be using, a savings and a chequing account. A **savings account** is a deposit account offered by financial institutions that pays interest on your deposits (the principal) and is a good way to save money for short-term goals. A savings account can also build an emergency fund for unexpected expenses. Savings accounts often include only a limited number of transactions and may have higher transaction fees than a chequing account. Certain savings accounts require a minimum deposit to set up the account.

A **chequing account** is a deposit account offered by financial institutions for managing day-to-day financial transactions, such as paying bills, making purchases with a debit card, depositing your paycheque, and sending or receiving email money transfers. A chequing account is a good way for most people to manage their day-to-day banking needs. Some chequing accounts pay interest on your deposits. However, when a chequing account pays interest, it usually pays a lower interest rate than a savings account.

Once you’ve identified the services you need, find out how much it will cost to get those services. Start by looking at no-fee accounts to see if they meet your needs. It is important to be aware of the terms the financial institution requires in order to be able to access an account that literally has no fees attached to it.

**Additional services**

Consider other features that may be of value to you. For example, you may be willing to pay a little more for an account that offers an online spending tracker, email alerts when money is withdrawn from your account, or waives the annual fee of a credit card.

Note how many of your transactions are done at an ABM, online or by phone and how many are done at tellers. Some financial institutions charge higher fees for transactions done at tellers: **shop around**.

**Special packages**

If you are a senior, student, youth, or newcomer to Canada, you may be able to choose from banking packages especially designed for you. These packages usually cost less than similar accounts for other consumers, offer added benefits, or may have no monthly fees for a limited time.

You may need both a chequing and a savings account to suit your financial needs, once you have established the type of account you need, you will also have to decide the features that will be helpful for you to have associated with your accounts. Knowing this will help you to choose the right financial institution, whether it be a bank or credit union, ask yourself…
How do you bank?

› If you sometimes make transactions in a bank branch, look for a financial institution that has a branch in your area and that has business hours that fit your schedule.

› If you use automated banking machines (ABMs) to get cash or make other transactions, look for a financial institution that gives you access to ABMs in places you would use them regularly.

› If you want to use online or mobile banking, find out what options are available through the financial institutions you are considering.
Service fees

Most financial institutions do not charge monthly fees for maintaining an account. However, you may still have to pay fees for transactions such as withdrawals or transfers.

Some financial institutions offer a limited number of free transactions; others require you to maintain a minimum monthly balance if you want to avoid paying fees; and some offer an unlimited number of free transactions. Find the financial institution that has not only the services that you want, but also good interest rates and few or no fees. Be cautious and read the fine print when you see the term “no fees” as this may come with certain stipulations to qualify for this type of service perk.

Your financial institution must provide you with a copy of the account agreement, which lists the terms, conditions and fees of the account. Keep a copy for your records and be sure you understand all the terms, conditions and fees before signing up for the account. Ask questions about anything that is not clear or that you don’t understand and always read through and know clearly what you are signing!

If you use your account mainly to save money, you will likely need to make only occasional transactions, such as withdrawals. Still, if you do need to withdraw money from your account, ask your financial institution the following questions:

› Is there a fee for withdrawals; at the teller, ABM from your bank or an opposing bank?

› Can you access your money from a conveniently located ABM; how many are within your area?

› Do you have to transfer money from your savings to a chequing account before you can withdraw the money? If so, you may need an extra day to transfer the money before withdrawing it.

› Can you transfer funds to another account over the Internet or by telephone?

› What type of online or over the phone banking does your account have; paying bills, transfers etc.?
Specifics about Savings Accounts

Shop around when choosing a savings account and compare these features:

**Interest rates**

Financial institutions pay interest on the money you **deposit** into your account. Each month, the financial institution deposits the interest owed to you directly into your account. The higher the interest rate, the more money you will earn.

Financial institutions sometimes offer high-interest introductory rates which run for a certain length of time, after which the rate may be lower. Make sure that you will still earn a competitive rate after the introductory period ends and that you understand the terms of any introductory offers.

Most savings accounts will pay you interest regardless of how much money you have in your account; however, some institutions require that you keep a minimum balance in order to earn interest. For example, you might need to keep a minimum balance of $1,000 before the financial institution pays interest on your account.

**What is compound interest?**

With compound interest, the money you **earn** in interest is added to the principal, and also starts to earn interest. The more often your interest is compounded, the more your account will grow.

When a financial institution advertises a savings account interest rate that usually means a compound interest rate. Most accounts compound interest monthly, but some compound interest daily.

For example, if a bank advertises a savings account with a 2% annual interest rate compounded monthly, after a year you will have earned 2% interest (plus compounding) on your deposits. You will *not* be earning 2% interest on your deposits every month.

Ask your financial institution how often it compounds the interest in your account.

**Example**

Anne deposits $100 into her savings account every month, and her money starts to earn interest as soon as she deposits it. Her account has an annual interest rate of 2%, compounded monthly. This means that each month, she will earn approximately 0.167% (2% divided by 12 months) on her balance, including any interest paid in the previous months.

After one month, Anne has $100 in her account and will earn only $0.17 interest on that balance ($100 x 0.167%). After the second month, her interest will be calculated based on her $200 of deposits, plus the $0.17 interest earned in the first month.

On a balance of $200.17, she will earn $0.33 in interest ($200.17 x 0.167%).
Each month, the amount of interest Anne earns will increase. By the end of the first year, she will earn a total of $13.08 in interest. The longer she continues to save and earn compound interest, the faster her savings will grow, as shown in the chart below.

Figures used in this example are approximate. Actual results will depend on how the financial institution calculates interest. For example, the formula may depend on the number of days in the month and this would result in slightly more interest being paid in the longest months.

You will usually have to pay income taxes on any interest that you receive. If your goal is long-term savings, consider a Tax Free Savings Account, which offers more benefits than a traditional savings account. See the information below as well as the FCAC’s tip sheet, “Thinking of Opening a Tax-Free Savings Account (TFSA)?” in the resource appendix for more information.

**TAX FREE SAVINGS ACCOUNTS (TFSA)**

A Tax-Free Savings Account (TFSA) is a kind of savings account registered with the federal government. It allows you to earn investment income without paying taxes.

Canadian residents aged 18 or older who have a valid Social Insurance Number (SIN) can contribute up to a set limit of $5,000 each year to a TFSA. The key benefit is that you do not have to pay taxes on earnings within the account (including interest, dividends or capital gains) or on money you withdraw from the TFSA. Other features to note are contributions to the account are not tax-deductible, you can carry forward the unused contribution room, and increasing the allowable limit in future years. As a TFSA is not tax-deductible an RRSP is, however may not have as many features. It is important to make the best informed decision. You can have more than one TFSA open, but you cannot contribute more than $5,000 annually in total. For example, you could contribute $2,000 to a TFSA with bank A and $3,000 to a TFSA with bank B, but if you were to contribute any more to either of them within the same calendar year, you would exceed your contribution limit and would have to pay a penalty.

Your TFSA can contain the following types of investments:

- cash
- guaranteed investment certificates (GICs)
government and corporate bonds

mutual funds

publicly traded securities or stocks.

Caution: If you have already reached your contribution limit of $5,000 for the calendar year, and you withdraw money from your TFSA, you cannot re-contribute to your TFSA in the same calendar year without paying an over-contribution penalty charge. However, your annual contribution limit for the following calendar year increases by the amount you withdrew.

For example, you contributed $5,000 to your TFSA in April this year, and then withdrew $1,000 in October of the same year. To avoid an over-contribution penalty, you must wait until at least January of next year to re-contribute the $1,000. Your contribution limit for next year will increase from $5,000 to $6,000, taking into account the $1,000 you withdrew.

If your financial institution is a member of the Canada Deposit Insurance Corporation (CDIC) and goes bankrupt, up to $100,000 of your eligible savings in Canadian dollars will be insured.

Most banks and federally regulated trust companies in Canada are members of CDIC. Deposits in credit unions are covered to a similar or greater level by provincial deposit insurance plans, which vary by province. Most financial institutions are members of the CDIC and your deposits are insured.

Specifics about Chequing Accounts

The number of transactions you have in a month can be a large factor in terms of the type of chequing account you should be using. Look over your records, and count how many times you make each of the following transactions:

- cash withdrawals
- bill payments (online, by cheque, over the phone, or in person at a branch)
- debit card purchases
- email money transfers
- pre-authorized debits, ex. Rent coming out automatically
- pre-authorized transfers to a savings account, Tax-Free Savings Account (TFSA) or Registered Retirement Savings Plan (RRSP).

Adding up the number of transactions of each type that you do can help you determine how many monthly transactions you need to have included with your banking package. For example, if you make only a few transactions each month, you may not need to pay more for a package that offers unlimited transactions.
Also, look at how often you need services for which you may have to pay additional fees, such as:

- personalized cheques
- overdraft protection
- safety deposit box
- money orders
- drafts

Paying extra fees for a service you use regularly can be expensive. If there are certain products or services that you use often, such as email money transfers, look for a chequing account that includes those products or services as part of the monthly fee, or offers them to you at a discount. Your bank account is much like a cell phone plan, if you are a person who texts often, you would need a plan that includes unlimited texting at a reasonable rate. The same type of logic should be applied when choosing an appropriate banking package to suit your needs.

Make sure you understand what is included and how much you will pay by asking:

- What is the monthly fee?
- How many transactions of each type are included in the monthly fee?
- Are there extra fees for certain types of transactions, such as transactions made at a teller?
- What fees apply to transactions over the monthly transaction limit?
- What are the fees if you go into overdraft? What are the interest rates?
- Will the financial institution reduce or waive fees if you keep a certain balance in the account?
- Are you able to get a discount on the fees if you have other products with a single financial institution?
- What are the extra fees if you use another institution’s ABMs?

Tips to minimize fees

Use electronic and self-serve transactions (online, telephone, ABMs) whenever possible. These usually cost less than in-branch transactions.

Use the ABMs of your own financial institution, instead of those from other institutions. Many financial institutions charge a fee for withdrawals made at another financial institution’s ABM.
Minimize the number of transactions you make. If you are charged a fee for each withdrawal or have limited transactions, try withdrawing one large amount instead of several smaller ones.

Ask for cash back from your account when making a debit card purchase in stores that allow cash back free of charge.

Make a choice based on the services that are important to you, cost, customer service and convenience.

Be sure you understand all the terms, conditions and fees of the account before signing up for it. Keep a copy for your records and ask questions about anything that you don’t understand.

From time to time, re-evaluate your needs and preferences. Find out if your financial institution, or another one, offers a chequing account with similar features to your own, but with no monthly fees, or a monthly fee that is less than what you are paying now.

This is a large chapter with lots of different information. Feel free to use this space to create some notes for yourself, or jot down some questions that you may want to have clarified later in the chapter.
BORROWING

Now that we have looked at managing money that you have earned, let’s talk a little about managing money that you may have borrowed. There are types of loans, or borrowed funds that you can obtain from a number of different sources. Diving into the world of credit cards and loans, we are going to look at the difference between acquiring good versus bad debt as well.

Lines of Credit

A line of credit is a type of loan that lets you borrow money up to a preset limit. You can use the funds as needed, up to a specified maximum and pay the loan back at any time. You are charged interest from the day you withdraw money, until you pay the loan back in full.

Advantages

Interest rates for lines of credit are lower than they are for credit cards, personal loans or other short-term loans. There are usually no set-up fees, annual fees or penalty charges for paying off your line of credit at any time, depending on the product and the financial institution. If you have a bank account with the same financial institution that you use for your line of credit, you can set it up so that any overdraft on your regular bank account is transferred to your line of credit, which can help avoid unnecessary fees. You are only charged interest on the amount used. For example, on a credit line of $25,000 available, but you have only used $5,000 you are charged interest on the $5,000 only.

Disadvantages

With easy access to money from a line of credit, some people can get into serious financial trouble because they don’t control their spending. The interest rate on a line of credit could go up, depending on whether you have a fixed or variable rate, and market conditions. If interest rates increase, you may have difficulty paying back your loan. Usually, you are required to pay the interest every month, but you may not have to make regular payments on the amount you borrowed (principal). This may mean you will pay a lot of interest and take a long time to pay off the loan.

Credit Cards

A credit card is issued by a financial company giving the holder an option to borrow funds, usually at point of sale. Credit cards charge interest and are primarily used for short-term financing. Interest usually begins approximately one month after a purchase is made and borrowing limits are pre-set according to the individual’s credit rating.

What is a Credit Card Agreement?

The credit card agreement or card member agreement is a contract that defines terms and conditions in using a credit card. It also explains penalties that may apply if you miss
payments or violate other terms of the agreement. Credit card companies send these agreements to customers when they first issue the credit card with instructions to keep the document in case it is needed for future reference. This procedure is carried out for the company to prove if needed at a later date if you have broken a term or condition, they will instruct you to refer to your terms of agreement with respect to that card.

What are Terms and Conditions in the Credit Card Agreement?

Although there are many credit cardholders, few of them actually bother to read and understand the credit card agreement. These state the terms and conditions under which the credit card could be used. The cardholder agreement is a legal contract between the lender and the borrower that highlights all terms and conditions under which the credit could be used. This agreement specifies the rights and obligations of customers under the contract they sign. Do not hesitate to get in touch with a customer care official with your credit card company. You can ask him to explain all clauses of the agreement that you cannot understand. It is their job to make sure you are fully informed of the contract’s terms and conditions. Once you affix your signature on the document, you automatically assume full responsibility for everything that is written in the cardholder agreement.

The Best Time For Young People To Get A Credit Card

It may not seem like it, but it is possible to go through life without using a credit card. That being said, when used responsibly, credit cards offer numerous advantages over other payment methods. They’re convenient, they protect you against fraud and theft, and they offer cash back and other rewards. They can also help you build the credit history you’ll need if you want to borrow money to buy a house or a car. If you think paying with plastic might be the way to go, here are some points to consider in deciding when to get a credit card and why.

If You have stable income and want to build credit

Why you shouldn’t wait:

Still don’t have a credit history? Getting a credit card is an easy way to establish one.

If you don’t like the idea of using credit, you don’t have to use your credit card as part of your regular spending. You can use it to make one automatic bill payment per month and set up a second automatic payment to pay off your credit card bill. Yes, this is an unnecessarily complicated way to pay a bill, but it’s an easy way to establish a credit history.

It’s also a good way to build a high credit score. By making one small charge a month, you keep your credit utilization ratio low. Your credit score will benefit when the amount of credit you use is low compared to your credit limit. Using your credit card in this way also establishes you as someone who pays the bills on time, which is another important component of a high credit score.

Even if you don’t have any plans to take out a mortgage, an automatic loan or another form of debt for which a good credit history is essential; your plans could change one day. Think of establishing your credit history as a free insurance policy that only requires a small investment of your time.
Why you should wait:
If you know you won’t be able to resist the temptation to spend yourself into debt, don’t take out a credit card. Yes, it will be more difficult to lease an apartment, take out a mortgage or secure a loan to buy a car. But at least you won’t have an unmanageable amount of credit card debt. Credit card companies aren’t going anywhere. You can always change your mind later and decide that you’re financially responsible enough to start managing credit.

If you have children in high school or college

Why you shouldn’t wait:

“Credit cards are a reality,” says Anisha Sekar, VP of Credit and Debit Products at the card comparison website NerdWallet.com. “By introducing the idea of a line of credit early on, parents can teach their kids responsible card use in a safe environment,” she says.

A credit card shouldn’t be a high school student’s introduction to personal financial management.

“I’d recommend opening a youth checking account when the child is in middle school, so that he can get into the habit of balancing the checkbook and using plastic, and also because debit cards are safer than cash,” Sekar advises. “From a checking account, a reasonably mature child could open a low-limit credit card, co-signed by a parent, when he is 16 or 17.”

“Having your child use a credit card for one or two years before he leaves for college allows you to teach him responsible use while you’re still available to guide him,” she says.

“Most student cards have high interest rates, so before you hand plastic over to your child, be sure to explain the expensive consequences of charging more than they can afford to pay off at the end of the month,” Rivero says. “Giving your child a credit card is an important opportunity to teach your child smart financial basics, so start it off on the right foot.”

In addition to high interest rates, parents can’t easily supervise their children’s credit card spending habits when they’re away at college, so it might be a bad place for them to experiment with credit for the first time.

Why you should wait:

High school students could succumb to the same tendency that adults have to spend more on a credit card than they can pay back.

“A parent can guard against this, however, by setting a low credit limit on the card and reviewing each monthly statement with the child,” Sekar says.

This advice assumes that parents are responsible users of credit.

“Credit cards can quickly turn into destructive financial products when parents fail to properly teach their children how to use them,” says Justine Rivero, a credit advisor at CreditKarma.com

“While parents might have the greatest intentions of giving their children a convenient way to spend, more often than not, parents won’t step them through
how to properly use a credit card: to spend conservatively, watch their credit use and, most importantly, pay their bill on time and in full,” she says.

Rivero also points out that parents may not teach their children how credit card use affects their credit score or why their credit score matters. She says young consumers may see a credit card as an easy way to spend money, and not as a financial tool to be responsibly managed.

Rivero says she would recommend giving young consumers a credit card in college, when they are primed to learn how to manage their money and build credit.

A debit card linked to a parent’s checking account might be a good first step, though.

The Bottom Line
Credit cards are everywhere, and for many people, the benefits of using them outweigh the drawbacks. Learning how to use credit responsibly early in life can set you up for decades of convenient spending, rewards and a high credit score that will let you borrow money at the lowest available interest rates. But no convenience or reward is likely to outweigh the drawbacks of carrying around high-interest debt, so if you don’t think you or your child is ready for a credit card yet, it’s OK to steer clear of credit cards for as long as you need to.
Credit cards can be useful and convenient. But if you aren’t careful about how you use them, you can put yourself on a path to serious financial trouble. You could build up debt that might take you years to pay off or damage your credit rating.

Know what you’re getting into. When you sign up for a credit card, you are entering into a legally binding contract, so it’s important that you understand the terms and conditions.

Credit card applications from federally regulated financial institutions must have an “information box” that outlines key features of the credit card like interest rates and fees. But don’t stop reading there. Review the complete terms and conditions so you’re aware of other important details, such as:

- your PIN and your liability in case your card is lost or stolen
- who is liable if you share the card with a “joint borrower” or “secondary user”
- any restrictions and limitations on reward programs and benefits
- how to cancel the card

Know yourself and your spending habits. Before you start shopping around for a credit card, think about how you will use it and set some guidelines for yourself. A credit card doesn’t increase the amount of money you have available to spend. Continue to live within your means and your budget.

Limit the number of credit cards you apply for. Every time you apply for a credit card, it’s recorded by the credit reporting agencies. Applying for too much credit can damage your credit rating by creating the impression that you may be relying too heavily on credit.

Avoid impulse buys, especially if you don’t have the money available in your bank account to pay for the item. Ask yourself if you really need to make that purchase right away (or at all), or if it can wait until you have the money to pay for it.

Aim to pay off your balance in full by the due date every month. Carrying a balance means that everything you charge to your credit card actually costs you more than the purchase price, because you are paying interest.

For example, if you buy a new flat screen T.V. for $1,000 and pay only the minimum each month, it will take you almost 11 years to pay it off in full and it will have cost you $1,989 ($989 in interest)—almost twice the actual price of the T.V.

If you have to carry a balance, try to make payments as soon as you can to reduce your costs, because interest is charged daily. And always try to pay more than the minimum amount owing.
Credit card statements for cards issued by federally regulated financial institutions have to include an estimate of how long it would take you to pay off your current balance if you were to only make the minimum payment each month and didn’t charge anything else to your credit card. You may be surprised at how long it would take you to pay off a splurge.

Make regular payments to help build a good credit history. Paying the balance in full every month will show other lenders that you are a responsible borrower. On the other hand, if you make payments late or miss them entirely, you hurt your credit score.

If your monthly balance is growing, stop using your credit card until you get your finances under control. Use cash instead of a credit card. Look at your budget for ways to trim your spending.

Avoid taking cash advances on your credit card. You are charged interest from the day you take the advance until the day you repay the entire amount, and unlike regular credit card purchases, there is no grace period on cash advances from a credit card.

Instead, use your debit card to get cash from your own financial institution’s ABM, or use the “cash-back” option that some merchants offer when you pay with debit. If you don’t have enough money in your account, look at your budget to see where you can trim your spending.

Every month, carefully check your credit card statement to make sure that there are no errors. It’s a good idea to keep receipts for all of your credit card purchases so that you can verify the amounts against your statement. If you find an error, report it to your credit card issuer right away.

If your credit card has a rewards program, avoid increasing your spending or buying things you don’t need just to get points.

If unexpected expenses come up, talk to your financial institution about your options. There may be alternatives to using your credit card that will cost less in interest, such as a line of credit.

Keep your card, your PIN, and your security code secure. If you share your PIN or security code, you risk being held financially responsible for unauthorized transactions.

ACQUIRING DEBT

When you look at your bills each month, you may feel overwhelmed by the amount of money that you’re spending on debt. Sometimes debt might seem like a trap that you only want to fight your way out of, but not all debt is bad.

When a lender looks at your credit report to see what kinds of accounts you have, they will look at some debts more favorably than others. If you’re focusing on getting out of debt, you first need to understand which debts are considered bad and which are considered good.
Good Debt

Some of your debt might be considered an investment. You’re probably thinking, “How can anything as bad as debt be considered an investment!” If you took on the debt to purchase something that will increase in value and can contribute to your overall financial health, then it’s very possible that debt is a good one.

For example, a home purchase can be considered to be a good debt. Since homes usually appreciate in value, the mortgage loan you take out to pay for the home is an investment. Another example of a good debt is a student loan taken out to finance a college education. Earning a college degree or diploma usually means that you’ll make more money over your lifetime.

Good debt is obtained through making wise decisions about your future, not for the sole purpose of having good debt. Let’s say you’re analyzing your financial picture, trying to decide how to pay off your debts. It’s usually a good idea to focus on paying off your bad debts first. Since they provide no value, they’re more costly than your good debts. You should pay off credit cards and auto loans before tackling mortgages or student loans.

Some people consider using good debt to pay off bad debt, like getting a mortgage for $110,000 instead of $100,000 and using the extra to pay off credit card balances. This isn’t a good idea for several reasons. First, repaying debt with debt is never a good idea. Second, it ends up taking longer to pay off the mortgage than it would have otherwise. Third, the higher mortgage increases your monthly payments and the time it takes to build equity in your home. Use cash to repay debts, not more debt.

You must still be careful that you don’t take on too much debt, even if it’s good debt. If you’re overloaded with debt, then it doesn’t matter whether the debt is good or bad, it still hurts your financial health.

Bad Debt

In contrast, you must be cautious of acquiring bad debt. When you use debt to finance things that can be consumed, you aren’t accumulating good debt. This is the kind of debt that creates an unhealthy financial situation. Credit card debt is often considered bad debt because of the nature of items that credit cards are used to purchase. You should never accumulate debt to purchase everyday items like clothes or food. If you use a credit card for these types of purchases, you should pay the balance in full each month.

Even debt used to finance a vacation is bad debt. Even though it might help you feel better and be more productive once you return, a vacation does not appreciate in value. Don’t use debt to pay for a vacation and especially don’t use it to pay for a vacation you can’t afford.

DEBT MANAGEMENT PLANS

A debt management plan is a service provided by the Ontario Association of Credit Counsellors. These are non-profit agencies created to help individuals experiencing financial distress.

Debt management plans are designed for people who can afford to repay all of their debt over a period of time, but are unable to qualify for a debt consolidation loan, and require a period of time to make the repayments.
In a debt management plan the non-profit credit-counselling agency “pools” your unsecured debts together so that you are only required to make a single monthly payment (to the not-for-profit agency). The agency then divides your payment amongst each of your creditors, with the larger creditors getting a bigger share of payment.

Some of the advantages of a debt management plan are:

- Relief from collection agencies (no more phone calls from collection agents);
- A single monthly payment;
- Reduced and sometimes zero interest charges; and
- It’s a voluntary procedure - you decide to start the process.

A debt management plan is not a legal procedure - it is a voluntary agreement between you and your creditors. As such, it does not need to include all of your creditors, nor is it binding on your creditors. A debt management plan also does not have the ability to automatically stop a garnishment order - the creditor must agree to lift the garnishment.

To see if a debt management plan is right for you, contact a local Credit Counselling Agency where you live and book a consultation to meet with a counsellor in person. They are experts in financial education, credit counselling and debt management programs. These agencies recognize that there are people that simply prefer to sit down and discuss their options face to face and they are pleased to be able to provide this level of personal attention and service.

Even though debt management plans and the agencies that provide this service have been around for a long time, very few people in Ontario are aware of this procedure. If you have the ability to repay 100% of your debt, a debt management program may be solution that you’ve been looking for.

If you think a debt management plan would work for you, go to our page on Credit Counselling for a list of the agency in your area.

If a good debt management plan is not put in place, getting into the “quick fix” mentality is a greater risk. Quick fix solutions to financial problems can include payday loans, borrowing from a friend or family member. These solutions can come with certain risks that, if not considered and researched properly, can come at a very high cost.

**THE DANGERS OF PAY DAY LOANS**

A payday loan is a short-term loan that you promise to pay back from your next pay cheque. A payday loan is sometimes also called a payday advance.

Normally, you have to pay back a payday loan on or before your next payday (usually in two weeks or less). The amount you can borrow is usually limited to 50 percent of the net amount of your pay cheque. The net amount of your pay cheque is your total pay, after any deductions such as income taxes. For example, if your pay cheque is $1,000 net every two weeks, your payday loan could be for a maximum of $500 ($1,000 divided by 50%).
A payday loan is a very expensive way to borrow money. Payday loans are offered by privately owned payday loan companies and by most cheque-cashing outlets. The federal government does not regulate these companies.

**How does a payday loan work?**

Before giving you a payday loan, lenders will ask for proof that you have a regular income, a permanent address and an active bank account. Some payday lenders also require that you be over the age of 18.

To make sure you pay back the loan, all payday lenders will ask you to provide a postdated cheque or to authorize a direct withdrawal from your bank account for the amount of the loan, plus all the different fees and interest charges that will be added to the original amount of the loan. The combination of multiple fees and interest charges are what make payday loans so expensive.

**How does the cost of a payday loan compare with other credit products?**

Payday loans are much more expensive than other types of loans, including credit cards. But how much are you really paying? How does the cost of a payday loan compare with taking a cash advance on a credit card, using overdraft protection on your bank account or borrowing on a line of credit?

Let’s compare the cost of using different types of loans. We’ll assume that you borrow $300, for 14 days.

<table>
<thead>
<tr>
<th></th>
<th>Payday loan</th>
<th>Cash advance on a credit card</th>
<th>Overdraft protection on a bank account</th>
<th>Borrowing from a line of credit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest</strong></td>
<td>$2.13</td>
<td>$2.42</td>
<td>$1.15</td>
<td></td>
</tr>
<tr>
<td><strong>Applicable fees</strong></td>
<td>$50.00</td>
<td>$2.00</td>
<td>—2</td>
<td></td>
</tr>
<tr>
<td><strong>Total cost of loan</strong></td>
<td>$50.00</td>
<td>$4.13</td>
<td>$2.42</td>
<td>$1.15</td>
</tr>
</tbody>
</table>

1. The costs and fees shown in these examples are for illustration purposes only.

2. The monthly service fee you pay for your banking service package often covers any processing fees for overdraft protection. To be sure, check your account agreement or talk to your financial institution.

3. This is an estimate of the annual cost of the loan. This is calculated by adding together all of the fees, charges and interest charged after 14 days, and projecting this cost over a one-year period. Although the cost is expressed as a percentage of the amount borrowed, it does not represent the annual interest rate.

Making the Connection:
Making the connection

Now that you have read through the **Banking, Budgeting and Borrowing** chapter, let’s connect the dots!

<table>
<thead>
<tr>
<th>Type of account</th>
<th>Financial Institution</th>
<th>Special features</th>
<th>Service fees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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Describe the importance of personal financial management/budgeting.

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Given the information in this chapter around ways of borrowing, and the comparison table with regards to payday loans, discuss what is the best option when borrowing money and why?

List three benefits to having a credit card, and give one reason as to why it would be a bad idea.

Describe three examples of “good debt” and give a rationale for one of your examples.
Describe three consequences that can occur if you accumulate "bad" credit/debt.
Chapter objectives:

› Describe and identify Identity Theft and Fraud.

› Know how to protect yourself from identity theft and fraud.

› Describe investing options.

› Outline the risk and rewards of investing.

Key Terms

<table>
<thead>
<tr>
<th>Key Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>A certificate issued by a government or a public company promising to repay borrowed money at a fixed rate of interest at a specified time.</td>
</tr>
<tr>
<td>Capital Gain</td>
<td>An increase in the value of a capital asset (investment or real estate) that gives it a higher worth than the purchase price.</td>
</tr>
<tr>
<td>Diversification</td>
<td>Having a mix of investments</td>
</tr>
<tr>
<td>Dividend</td>
<td>A sum of money paid regularly (typically quarterly) by a company to its shareholders out of its own profits.</td>
</tr>
<tr>
<td>Dumpster Diving</td>
<td>A technique used to retrieve information that could be used to carry out an attack on a computer network. The practice of foraging in garbage for discarded items.</td>
</tr>
<tr>
<td>Equities</td>
<td>Stocks or shares</td>
</tr>
<tr>
<td>Fraud</td>
<td>Wrongful or criminal deception intended to result in financial or personal gain</td>
</tr>
<tr>
<td>Identity Theft</td>
<td>When a person steals any of your personal information and pretends to be you</td>
</tr>
<tr>
<td>Interest</td>
<td>Lenders make money from interest, borrowers pay it</td>
</tr>
<tr>
<td>Liquidity</td>
<td>Liquidity is characterized by a high level of trading activity. Assets that can be easily bought or sold are known as liquid assets.</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>An investment that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks.</td>
</tr>
<tr>
<td>Phishing</td>
<td>The activity of defrauding an online account holder of financial information by posing as a legitimate company</td>
</tr>
<tr>
<td>RDSP</td>
<td>Registered Disability Savings Plan</td>
</tr>
<tr>
<td>Real Estate</td>
<td>Property such as homes, land or buildings</td>
</tr>
<tr>
<td>RESP</td>
<td>Registered Education Savings Plan</td>
</tr>
<tr>
<td>Return</td>
<td>The profit or growth that an investor makes on an investment</td>
</tr>
<tr>
<td>Risk</td>
<td>The level of uncertainty associated with an investment</td>
</tr>
<tr>
<td>Risk Tolerance</td>
<td>The level of risk you are comfortable with</td>
</tr>
</tbody>
</table>

What is Identity Theft?

According to the Federal Trade Commission, since 2003, more than 10 million people annually have been victims of identity theft. What is identity theft? When a person steals any of your personal information---including your name, a credit card number or your Social Insurance Number---and pretends to be you, that person is an identity thief. Once an identity thief has your personal information, they can use it to do a number of things, including opening a credit card in your name and going on
a spending spree without ever paying the bill; opening a bank account and writing bad checks; withdrawing funds from your bank account; or giving your information to police officers during an arrest, which will lead to a warrant for your arrest when that person fails to appear in court. Because the possibilities for an identity thief are endless, it could take you years to reclaim your identity and repair the damage done.

**The History**

There is a common misconception that identity theft began with the Internet. However, while the Internet has made identity theft much more widespread, identity thieves started out getting information from telephone scams and from going through people’s garbage looking for personal information on bills and other documents containing important financial information.

Telephone scams are the easiest way for identity thieves to gain access to your personal information because the victim is willingly, though unknowingly, giving out his or her personal information. A thief places a call to the victim, informing the victim that he or she has won a contest or prize. This, of course, is not true. However, the victim, unaware of the scam, becomes willing to give the identity thief any kind of personal information the thief requests, in order to claim the prize. This information is usually a birthday, Social Insurance Number or sometimes even bank account information.

Another way identity thieves gain access to a victim’s personal information is a technique commonly known as “dumpster diving.” A thief will go through a victim’s trash, looking for bills they’ve discarded or anything else they’ve thrown away that contains personal information. In addition to dumpster diving, thieves will also steal mail right out of a mailbox. They can take bills, credit card or bank statements, or even offers to open new credit card accounts, which the thief would take to open an account in the victim’s name.

In addition to those seemingly basic ways of gaining access to your personal information, identity thieves are now also using technology to steal identities. Thieves use a device that has the ability to scan and store debit or credit card numbers when you swipe them. This technique is called “skimming.” Also, the Internet has made identity theft much more widespread. There are a large number of email scams, much like the telephone scams, where thieves trick victims into revealing their personal information under the false pretense of claiming a prize. “Phishing” is extremely common. In this case, thieves, posing as a bank or another company (like your credit card company), send emails or use pop-up advertisements, hoping to lure a victim into revealing some kind of personal information. While many people have become more aware and delete spam or junk emails, or get rid of pop-up advertisements, if even one person reveals his or her personal information, the thief can do a lot of damage with that stolen identity.
How does it happen?

You may unknowingly provide your personal information to a fraudster over the phone, via an email or on a fake website that is made to look like a real business.

Your computer may also be infected with a virus program called malware, that tracks every time you press a key on your computer keyboard, then stores that information and sends it to fraudsters.

Fraudsters may also take or copy personal identification like your birth certificate or Social Insurance Number (SIN) card in an attempt to steal your identity.

Preventing Identity Theft

While identity thieves have discovered many different ways to attempt to steal identities, there are still many opportunities for potential victims to protect themselves. Obviously, paper shredders have become an important factor in hindering dumpster divers, because shredders destroy any personal information before documents are thrown in the trash. Also, never give out personal information over the phone when you receive a phone call. You should ask for the company’s phone number and call them back. If they refuse, or if the number does not belong to the company they claim to be from, it is most likely a scam. On the other hand, if you are the one who placed the phone call to your bank or credit card company, it is OK to give them your information. Just make sure that you are in a private place and cannot be overheard.

As far as protecting yourself from identity theft on the Internet, never click on a pop-up or link you are not familiar with. Make sure your computer is protected with antivirus software to prevent hackers from gaining access to your information, and use an email filter to limit the number of junk or spam emails you receive. The less spam you receive, the less likely you are to become a victim of identity theft.

You should take precautions to protect your personal information at home, in public places, on the phone and online.

› Never provide your personal information unless you have initiated the communication and trust whom you are communicating with.

› Keep your personal information in a secure and safe place.

› Never email your personal information.

› When online, only use secure websites before transmitting personal information. Look for websites with addresses starting with “https” or a padlock image on the page. This will indicate that the information entered on these pages is secure.

› Keep your computer antivirus software up to date.

› Regularly check your accounts and statements for any suspicious or incorrect activity and report it immediately.
Warning Signs

Even taking all those steps, it is still possible that you could be a victim of identity theft. The earlier you discover that you may be a victim, the more likely it is that you can minimize the damage. Monitoring is the key to preventing identity theft or catching it early on if you have been victimized.

Keep track of your mail. If you notice mail is missing or you are receiving bills from companies you are unfamiliar with, someone has probably stolen your identity. Also, if you receive denial notices from credit cards you haven’t applied for, your identity may not have been stolen yet, but it is likely that someone tried to open a card in your name.

Repairing the Damage

If you notice any of the above signs, it is likely that your identity was compromised and you now have to take the steps to fix it. Contact the credit bureaus and your bank and credit card companies. Immediately close all of your accounts to prevent any further damage.

File a police report and provide as much information as you can. The police track identity thieves, and if there is a pattern to the theft, the thief could be easier to catch.

While it can take many hours and be emotionally draining to regain your identity, you can eventually return your credit rating to good standing, and if a thief used your identity during an arrest, any issues with criminal records against you will be eliminated. You should not have to file for bankruptcy, and none of the damage done is permanent. As bad as it may feel when you discover that you’ve become a victim of identity theft, just remember there are people who will help you and that it can all be fixed.
Credit Card Fraud

When your credit card, credit card information or your personal identification number (PIN) is stolen and used to make unauthorized purchases or transactions, you become a victim of credit card fraud.

How does it happen?

Thieves use a variety of tricks such as:

- retrieving financial information out of your mailbox or garbage
- skimming your card through a secondary reader that copies the magnetic stripe information
- hacking into merchant databases and stealing credit card information
- implanting small devices on gas pumps that record your credit card number
- “phishing” for your credit card information with a fraudulent email that looks legitimate.

Chip technology is now replacing the current magnetic stripe to make credit card transactions more **secure**. In these cards, there is an embedded microchip that is encrypted and virtually impossible to replicate. However, fraud can still occur if someone has your actual credit card and PIN.

How to prevent it

Prevention begins with protecting your personal and financial information.

- Do not share your credit card or credit card PIN with anyone.

- Cover the keypad when entering the PIN at a retailer or a bank machine.

- Keep your credit card in sight when you make purchases to prevent skimming or double swiping.

- Record your credit card number, card details and whom to contact in case of theft or loss. Keep this information in a secure place.

- Check your statements every month and report any errors or unauthorized transactions.

- Keep your credit card statements in a safe place, and shred them when you no longer need them.

- Get written confirmation when you cancel your credit card.
Only use your credit card online on **trusted sites** and ensure that your online transaction is encrypted. Look for websites with addresses starting with “https” or a padlock image on the page. This will indicate that the information entered on these pages and the transmission of the information is secure.

**What to do if you are a victim of credit card fraud?**

If you become a victim of credit card fraud, you may be protected by one of the consumer protection policies set in place by American Express, MasterCard and Visa. Some conditions may apply.

If you think you have been a victim of fraud, take the following steps:

- Start a written log: record when you noticed the fraud and the actions you took, including names of people you spoke to and dates of communications.
- File a report with your local police.
- Contact your financial institutions and any other companies (e.g. phone company, cable provider, etc.) where your accounts were tampered with, or are at risk of being tampered with.
- Advise Canada’s two credit rating agencies, TransUnion and Equifax.
- Contact the Canadian Anti-Fraud Centre, a national anti-fraud call center, at 1-888-495-8501 or info@antifraudcentre.ca.

**Debit Card Fraud**

When your debit card, debit card information or your personal identification number (PIN) is stolen and used to make unauthorized purchases or transactions, you become a victim of **debit card fraud**.

**How does it happen?**

In order for debit card fraud to occur, a thief needs both your **PIN** and the debit card itself or the information stored on it. If your card is stolen or duplicated, the thief has to find some way to get your PIN in order to use it for unauthorized purchases or transactions.

Many financial institutions are now issuing client cards with chip technology. New cards with chip technology are virtually impossible to duplicate and are considered more secure than the older cards that store your information on a magnetic stripe.
How to prevent it

› Take precautions to protect your PIN whenever using your debit card. Cover the keypad when entering the PIN at a retailer or a bank machine.

› Never lend your debit card and PIN to anyone.

› When setting your PIN, do not use an easily guessed PIN. You may be responsible for any loss if you use your name, address, telephone number, date of birth or Social Insurance Number for your PIN.

› When using your card, keep it in sight at all times.

Check your bank account records regularly for any errors or irregularities and report them immediately.

INVESTING; UNDERSTANDING THE BASICS

Before making investment decisions, it is important to understand basic concepts.

Risk
Risk is the level of uncertainty associated with an investment—that is, the possibility that the investment will not grow or that you may even lose part or all of it. Every type of investment involves some risk. Generally, the higher the potential return, the higher the risk will be.

Return
Return is the profit or growth that an investor makes on an investment. The return can vary greatly, and for many types of investments it cannot be predicted with certainty. An investment’s return can come in two forms:

Income—including interest or dividends, or

Increased Value (also called capital gain), enabling you to sell your investment for a profit.

You can have a negative return if your investment loses value (also called capital loss).

Risk tolerance
Risk tolerance is the level of interest with which you are comfortable. If you are willing to take the chance of losing some or all of your investment in exchange for the potential of earning a larger return, you have a high risk tolerance. If you prefer little or no risk, your tolerance is low.

Liquidity
Liquidity is the ability to cash in or sell investment quickly to gain access to the funds without significant penalty. Liquidity can be important if you are planning to use your savings or investments in the short term.
Diversification

Diversification involves having a **mix of investments**, It is a way to **reduce risk**. By holding a variety of investments, you reduce the likelihood that all of them will not increase in value or lose money at the same time.

**Taxes and investments**

Taxes will affect the **return of investments**, but taxes affect different investments in different ways. For example, you have to report interest income yearly and pay tax on it, but you may be eligible for a tax credit on income that you receive from dividends. With capital gains, you don’t have to pay tax until you sell or transfer an investment and receive some income, and then you pay tax only on half of the increase in value.

**Taxation** is a complex area with many specialized rules. Unless your investments are very simple, it is helpful to get advice on tax planning from a professional with expertise in this area. CRA offers an online course on taxes called **Learning About Taxes**.

The Government of Canada has created a variety of registered savings plans that offer **tax benefits** to investors. They let you avoid or delay some of the taxes you pay.

**Common Types of Investments**

There are many types of investment options, some more complex and risky than others. Before choosing an investment, it is important to understand and be comfortable with its risk level. The most common categories of investments include:

- **Savings-like investments** such as guaranteed investment certificates (GICs) and treasury bills. Savings-like investments are generally considered to be low-risk investments.

- **Fixed-income securities** such as government and corporate bonds. These types of investments are considered low-risk.

- **Equities**, also called stocks or shares. These types of investments are generally considered high-risk.

**Mutual funds and exchange traded funds** are also common investment options. It is important to know what types of investments are included in a fund before you invest in it, because that mix will have an impact on your risk level.

It is also important to look at the fees that apply to your investments because they will have an impact on your return.
Once you establish your saving and investing goals, the next step is to work toward achieving them.

The Government of Canada encourages saving and investment toward specific goals, such as retirement and education. Several government plans offer tax benefits to Canadians. They let you avoid or delay some of the taxes you would otherwise pay. These include:

- **Registered Education Savings Plan (RESP)**
  An RESP is an account registered with the federal government to help you save for a child’s post-secondary education.

- **Registered Retirement Savings Plan (RRSP)**
  An RRSP helps you save for retirement. Contributions to your RRSP are tax-deductible. Your savings can grow tax-free until you withdraw the money.

- **Tax-Free Savings Account (TFSA)**
  A TFSA is a savings account registered with the federal government. Contributions are not tax-deductible but anything you earn on money in the account will not be taxable.

- **Registered Disability Savings Plan (RDSP)**
  RDSPs helps families save for long-term care of relatives with disabilities.

These government-sponsored plans can hold a variety of savings and investment types. To find out more, speak to a financial planner or advisor.

**Investment Fees and Costs**

The investment fees and costs you pay will depend on the types of investments you make and how you purchase them. The costs will have some impact on your returns, so it is important to understand how much you are paying and what for. You can then decide whether the service is worth the cost.

Most fees and costs relating to investments fall into five categories:

- Costs to buy an investment
- Costs when you sell an investment
- Investment management fees
- Financial advisor fees
- Administration fees for registered plans

Not all types of costs apply to all investments. In some cases, costs such as sales commissions are included in the price you are quoted to buy the investment. This is generally the case for bonds.
**Costs to buy an investment**

If you buy investments such as stocks and exchange traded funds, you will usually pay a trading fee every time you make a purchase. For this reason, it is better to limit the frequency of your purchases. Brokerages and investment firms set their own fees, so the amount will depend on the company you use.

For “no load” mutual funds, there is no fee to purchase units.

Other mutual funds charge “front-end load” fees when you buy them. The fees are generally a percentage of your purchase price.

**Costs when you sell an investment**

With some mutual funds, instead of paying a fee when you buy the investment (“front-end load” fee), you pay a fee when you **sell**. This is known as a “back-end load” fee.

The fee is generally a percentage of your selling price. It is normally highest in the first year after purchase and gradually decreases for every year you hold the investment. If you hold the investment long enough (often for several years), the fund dealer might agree to waive the fee. Think carefully before agreeing to buy funds with back-end load fees because the fees come out of the selling price of the investment and can be as much as 7 percent if you want to sell in the first year.

**Investment management fees**

Investment funds, including mutual funds and segregated funds, charge a fee for managing the fund. The fees are called the Management Expense Ratio (MER) and may include an ongoing commission paid to advisors who sell the fund to their clients. The MER is paid regardless of whether the fund makes money. It is deducted before calculating the investor’s return.

**Advisor fees (how advisors are paid)**

Advisors are paid in different ways, depending on the type of service they provide. For example, an advisor helping you put together a financial plan might be paid an hourly fee, whereas an advisor making trades on your behalf might be paid per trade.

If you plan on using an advisor it’s important to know exactly what kind of services the advisor provides and the cost, as well as how the advisor is paid.

While most advisors strive to give good advice, advisors who are paid by commission have an incentive to encourage you to invest where they will earn the highest commission. Those who are on salary, on the other hand, may have an incentive to promote what their employers offer. Ask for information on your investing options and fees before you purchase any investment product.
Administration fees for registered plans

When a bank, brokerage firm or other financial institution sells a registered product such as a Registered Retirement Savings Plan or a Tax-Free Savings Account, the *Income Tax Act* requires the product to have a trustee.

Investors generally have to pay an administration fee (also known as a “trustee fee”) for the services the *service* provides—for example, filing the necessary documents with the Canada Revenue Agency. In certain cases, if the overall value of a portfolio is above a certain amount, the company that holds your plan may waive the fee.

WORKING WITH A FINANCIAL PLANNER OR ADVISOR

Investing can be complicated, and many people simply do not have the time to acquire the knowledge and confidence needed to invest effectively on their own. A financial planner or advisor can help them.

How do you choose a financial planner or advisor?

The terms “financial planner” and “financial advisor” are used broadly; in fact, anyone can call themselves a “financial planner” or “advisor.” What sets some apart are their education and training, and the qualifications that they hold. For ease of reading, the pages in this section use the term “advisor” to mean a financial professional with training and expertise that is recognized within the financial sector.

Choosing the right advisor depends on the kind of help you are looking for. Different advisors offer different products and services, and their professional designations can provide an indication of their qualifications and expertise. Ultimately, what’s important is that you’re confident that your advisor has the experience and expertise necessary to help you reach your financial goals.

Don’t be afraid to meet with several potential advisors before choosing one. To make the most of your meeting, draw up a list of questions you want to ask. Be sure to take detailed notes.
Factors to consider

› Is the advisor registered?
By law, sellers of mutual funds, stocks and bonds must complete training and be registered with a provincial or territorial regulator. You can check that the advisor or firm you are considering is registered, and you can find out what kind of registration they hold. Simply visit the Canadian Securities Administrators (CSA) website and use the National Registrant Search. It includes the names of all individuals and firms registered in Canada, with the exception of those registered with the Ontario Securities Commission (OSC). To find out whether an individual or firm is registered in Ontario, use the OSC’s Check registration resource.

› Past disciplinary action
You can check whether an advisor or firm has been subject to disciplinary action in the past by visiting the following websites:

› Investment Industry Regulatory Organization of Canada (IIROC)
Research the background, qualifications and disciplinary information on advisors at IIROC-regulated firms by generating an IIROC Advisor Report.

› Mutual Fund Dealers Association of Canada (MFDA)
If an advisor is licensed primarily to sell mutual funds, the MFDA is the self-regulating body. You can search for current and past disciplinary hearings.

Where to look

Advisors belong to professional groups in their industry. The following industry groups can be good places to start searching.

<table>
<thead>
<tr>
<th>Group name and website</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Planning Standards Council (FPSC)</td>
<td>Develops, enforces and promotes standards for financial planning in Canada.</td>
</tr>
<tr>
<td>Advocis (Financial Advisors Association of Canada)</td>
<td>Information on designations of financial advisors.</td>
</tr>
<tr>
<td>Mutual Fund Dealers Association of Canada (MFDA)</td>
<td>National self-regulatory organization and representative of firms that sell mutual funds in Canada.</td>
</tr>
<tr>
<td>Portfolio Management Association of Canada (PMAC) (formerly the Investment Counsel Association of Canada)</td>
<td>Representative of investment counselors and portfolio managers in Canada.</td>
</tr>
</tbody>
</table>
Investing on your own

Investing on your own may be an option if you are confident about your investing knowledge and have the time to follow developments in the financial market. If you are new to investing, it is probably better to work with an advisor.

Making the Connection

Now that you have read through the Staying on the Safe Side chapter, let’s connect the dots!

Describe how identity theft can impact you?

________________________________________________________________________________________________________________________________________________________

________________________________________________________________________________________________________________________________________________________

________________________________________________________________________________________________________________________________________________________

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What are some of the best ways to protect yourself against identity theft?

________________________________________________________________________________________________________________________________________________________

________________________________________________________________________________________________________________________________________________________

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Describe some of the basic concepts of investing

________________________________________________________________________________________________________________________________________________________

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Using the table below, list some of the pros and cons with regards to investing.

<table>
<thead>
<tr>
<th>Pros of investing</th>
<th>Cons of investing</th>
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Enactus SLC
Our mission is to reduce poverty by creating comprehensive solutions to issues within our greater community.

Established in 2009, the Enactus SLC team consists of a group of students from St. Lawrence College Kingston who create and deliver projects that help to reduce hunger and promote entrepreneurship, financial literacy and environmental sustainability.

This handbook represents the evolution of efforts since the team began to bring financial literacy to youth. It is available for free download at www.enactusslc.ca

The Manage Your Money Participant Handbook helps youth learn the skills they need to take control of their finances as they enter adulthood. Navigating personal finance requires confidence and knowledge. With the help of the Manage Your Money Facilitation Guide and supplementary videos, participants learn about practical topics such as budgeting, understanding pay stubs, taxes, insurance, banking options, and more. As of 2014, 116 youth from Family and Children’s Services have graduated from the Manage Your Money program. Facilitation guides and videos are available to help you run a Manage Your Money program in your community. For more information please contact us through our web page.

Many thanks to the team members and faculty advisors who have played a vital role in the growth and development of Manage Your Money. A special thanks to team members Kate Armstrong, Jim McCartney, Victoria Stinson, Andrew Oosterman, Merina Johnston, Thiago Santarém, and Nick Blunt for their dedication to this project, as well as to faculty advisors and professors Pam Bovey Armstrong, John Pirrie, John Conrad, Terri McDade, Gary Peacock, Colin Slade, Ricardo Giuliani and Brian Wilcock. Enactus St. Lawrence College would also like to express acknowledgement and gratitude to Shannon Youell and the Family and Children’s Services of Frontenac, Lennox and Addington.

www.GiveToSLC.ca/FoodCents
You will receive a tax receipt for your donation. 100% of all proceeds will go towards Manage Your Money and Food Cents initiatives.
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Facilitators Guide to the Manage Your Money Program (MY$)

Financial literacy is the ability to understand and interpret financial matters. Financial literacy often entails the knowledge of properly making decisions pertaining to certain personal finance areas like real estate, insurance, investing, saving, tax planning and retirement. It also involves intimate knowledge of financial concepts like compound interest, financial planning, the mechanics of a credit card, advantageous savings methods, consumer rights, the value of money, etc. Financial literacy is an imperative life skill and will be a key success factor in the transition from youth to adulthood.

This guide is to be used in tandem with the Manage Your Money (MYM) program in a correctional setting and will help the Facilitator deliver successful Manage Your Money sessions. There are five sessions in total in the Manage Your Money program, though the delivery schedule is flexible and can be changed to meet the needs of the institution. The delivery methods vary from lecturing, classroom activities, and guest speakers. With these varied methods, the participants will be able to connect more with the material and apply the knowledge and concepts they’ve learned to their lives.

It is imperative that you consider a number of variables when delivering the Manage Your Money Program modules in a correctional setting. Listed in this facilitator’s guide are the essential pieces to facilitating the Manage Your Money Program.
1. Facilitator Selection

› Be sure to choose a Facilitator who has some understanding of the Correctional Services Canada (CSC) policies and procedures and the financial literacy material.

› In order to be effective in working with this client group, it is important to understand the client group first.

› If you have no experience working with CSC, attending the appropriate volunteer training and having a supervisor is integral.

› The way you teach traditionally will need to be adjusted to reflect the individual needs of this client group. Participants come from a variety of backgrounds, additional sensitivities to potential triggers will be important.

2. Recognize who your target audience is and the objective

› Tailor your training to the participants needs being aware of present and future goals of the participants.

› Recognize that participants are there to learn the basics of financial literacy, so keep the content simple but informative.

› Deliver the content in a language that they are sure to understand. Which will involve frequent check ins to ensure participants comprehension of the content.

3. Classroom size and functionality

› Be sure to examine the assigned room before the first day of delivery.

› Ensure the room is equipped with a projector and has PowerPoint capabilities.

› The best layout is to have the participants sitting in a U shape, with the facilitator closest to the door.

› Make sure that the door is unlocked in the event of an emergency.


5. Group dynamics

› On occasion you may have to deal with some disruptive behaviour in the classroom. Again, remember to be empathetic when dealing with behaviour.

› It is suggested to have “A frame” name tags on Bristol board placed on each desk as participants arrive, but let them choose their seats.

› It is recommended to keep the group size at approximately 8-10 participants.

› A lot of these participants have some history with one another, so keeping them focused and on task is sometimes a challenge.

6. Setting ground rules

› Facilitators are advised to set ground rules for the MYM program.

› This process should be done in a way that the participants brainstorm the rules that they would like to have in place as a group. This process has the participants engaging in the development of the group rules, with the thought being if they engage in the writing of the rules they are more likely to follow them.

› Alternatively, Facilitators could have one rule for participants to follow; RESPECT! Sometimes overloading participants with “rule talk” can turn them off. Explaining Respect as an all-encompassing rule is a good way to simplify this process.

7. Teaching and learning styles (retention rates)

› Ensure to use a variety of teaching styles to appeal to the variety of learning styles

› Visual- Learn best by seeing concepts, such as an overhead projector

› Auditory- Learn best by having concepts explained to them, such as explaining concepts orally, versus just reading from slides.

› Kinesthetic- Learn best by doing, such as having concepts turned into exercises to reinforce learning.

› Utilizing the exercises provided in folders will help to determine learning styles early on.

8. Teach, Reinforce, and Assess

› A good process to follow is T – R – A. Teach, Reinforce, Assess

› Teach to the material through the use of Visual and Auditory delivery
Reinforce through the use of exercises (in the workbook and using additional resources)

Assess based on the knowledge displayed throughout the workbook and in the making the connection piece, at the end of each module

9. Guest speakers

There may be guest speakers booked for one session during the facilitation process. It is recommended to have the guest speaker arrive 30 minutes before scheduled program start time. This will allow for the facilitators to walk with the presenters to the classroom. It also gives the facilitators time to take care of any housekeeping issues. Possible guest speaker options are listed below.

Module 1- Financial Planner – Discusses benefits to the program.

Module 2- Tax accountant – Covers material such as why we pay taxes, where our tax dollars go, when taxes are filed in Canada.

Module 3- Credit Union Representative – Explains the major differences between Credit Unions and the big banks.

Module 4- Bank Representative – Covers material around identity theft, ensuring you are not taking risks while you bank, not giving out Pin numbers and current scams that banks and police are aware of.

Make sure to allot approximately 2 months of time to process the guest speakers reliability clearance in accordance to Correctional Service Canada’s policies.

10. Coffee

The facilitators may provide coffee to the participants if approved by the institution. Participants will often find this reinforcing.

The expectation should be that the participants bring their own mugs, cream, and sugar.

11. Scheduled breaks

It is recommended that a 10-minute break be provided during each module of the program so that the participants may use the washroom or ask any questions.

Facilitators will need to gauge based on participants’ attention and facial expressions, when breaks are required.
12. Attendance

› Be sure to set a standard with participants that they are committed to attending all sessions prior to them signing up for the program. In the event that they are unable to attend a session they are required to notify the facilitator or agency staff to relay the message.

› There is often a financial benefit to participants for attending the program, not to mention the value the program offers; therefore it is suggested that participation in all Modules be a requirement.

13. Teaching Manage Your Money Tips

› Take 15 minutes to mingle in the class before each session to begin to build rapport with the participants. This is important to gain the trust of this population as they often have trust related concerns.

› Relate material back to real life situations that are relevant to the participants’ current financial situations.

› Include various exercises and activities that are both meaningful and consistent with your participants. It is always a good idea to get the participants out of their chairs on occasion. Be certain that you allow enough time for the activities to unfold fully but not drag on.
<table>
<thead>
<tr>
<th>Slide</th>
<th>Module Teaching Notes</th>
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</thead>
<tbody>
<tr>
<td>Have this logo slide up as people enter the room and take their seats.</td>
<td></td>
</tr>
<tr>
<td>Welcome to Manage Your Money! Take a few minutes to introduce yourself along with a brief history.</td>
<td></td>
</tr>
<tr>
<td>Review agenda. Break down the module content.</td>
<td></td>
</tr>
<tr>
<td>Introductions (name, their reason to coming to MYM, what you’re interested in). State that everyone is here for their own reasons. Even if you are not fully happy about being here I am glad that you have decided to come and hope that you all get at least a few things out of this experience.</td>
<td></td>
</tr>
<tr>
<td>Read the objectives for this week. In order to get the most out of this experience we need to understand our individual views on money and finances and how we came to know what we know. Ask where they have learned the basics of financing. It is also important to understand your values, beliefs, and learning styles.</td>
<td></td>
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</tbody>
</table>
Allow a washroom break.

Financial literacy incorporates decision making, savings, insurance, taxes, and credit cards.

Financial literacy is the knowledge to make informed decisions regarding finances. It is a life skill to aid you in financial success. In this program we will work on goal setting that can help you achieve the things you want in life.

Open up the floor to discuss what else financial literacy could mean to each person individually.

Read slide.

In your workbooks, please write down three words that come to mind when describing yourself. You will not have to share these words unless you want to.

Pose the question to Participants.

Can anyone describe either self-esteem, self-image, or projection in their own words?
Encourage people to attempt to answer and share knowledge.
Self-esteem is how you view yourself—much like the 3 words you picked, as your mirror words would be used to describe you.

Self-image is how you believe other people view you. Sometimes this can be skewed positively or negatively depending on your self-esteem. You might have a much higher or lower image of yourself than what other people see.

How you treat others is heavily impacted by your self-esteem and self-image. This is the definition of projection. If you feel good about yourself and your environment will often be reflected in the way that you treat other people.

Has anyone heard of the iceberg analogy before?

This analogy serves to prove that what people feel on the inside makes up for 90% of whom they are, but what people see is only about 10%.

The more you get to know people, the more you see that person as a whole.

Positive and negative relationships in our lives contribute to our financial standing.

Read definitions on slide.

Here is an example of how these influences can shape your view on money.

Person A) may feel like money is the root of all evil.

Person B) may feel as though money is a valuable resource.

Your Personality, Values and beliefs contribute to your overall attitude.

Do we become like the people we surround ourselves with?

Attitude effects performance on the job and since we know that behaviour effects behaviour, then a bad attitude will affect others in a negative way.

Self-esteem, self-image, projection, personality, values, beliefs, and attitude relate to finances because they all relate to getting a job, keeping a job, and moving up the pay scale in that job.

In order to have financial success one must evaluate these 7 areas and ensure that they fit with what employers are searching for.
Briefly discuss the impact of the caregivers who had a hand in shaping us into the people we are today.

We discuss this as a difficult process that often takes an in-depth look at becoming the best individual you can be.

The Locus of Control section is intended to help participants be realistic and balanced.

What are the consequences of having a lop-sided view?

Identifies who you believe controls your future.

An internal locus of control identifies who you believe controls your future (YOU!).

An internal locus of control can be unhealthy as it can cause people to be overly critical of themselves and neglect other factors.

Ask the same questions as above….

An external locus of control also identifies who you believe controls your future (OTHERS!).

This can also be unhealthy as it can have people fail to take necessary ownership that is critical to learning and growing, thus resulting in changed behaviours.

Tie it together with the Balance slide.

The key to success is a balanced locus of control. Illustrate how balance is important through real life experiences.

Explain circumstances such as an era someone grew up in computer generation, .99 cent apps (Angry Birds upon release sold 1 million in 1 day) versus someone who grew up in a depression.

Example: you have just completed a program and received negative feedback from your facilitator. What is your first thought?
Identifies Primary and secondary learning styles of participants.
Visual – Learns best by seeing items or material presented.
Auditory – Learns best by hearing and having things explained to them.
Kinesthetic – Learns best by doing in the context of the activity.

Being able to identify and articulate your own learning style will help you to get the most out of these classes and increase your financial literacy skills in the long run.

Read this slide to the participants, have the participants think about which learning style they have.
Would anyone like to share his answers?
Were you surprised?

Introduce Goal Setting and the Smart Goals Process
Discuss the difference between short term and long term goals. Select a volunteer to perform an activity. Set up a small target (trash bucket) across the room and give the participant a crumbled piece of paper to throw.
Be sure the distance is far and very difficult
Ask the Participant to tell you a goal they have or have had in the past. Get the participant to “take a shot” at the target. Each time they miss, they need to recite a strategy to achieve that goal. Repeat the process until they have been successful in “making the shot”.
This activity illustrates that goal setting is a process and in order to be successful you need to address the mini goals, or strategies, required to achieve the goal in the bigger picture. Explain that throughout this process they should avoid using generalized terms such as some, approximately, maybe, and other terms that hinder tracking progress.
SMART stands for specific, measureable, attainable, relevant, and timely.
Rationalize why they are/are not SMART goals. Please take 10 minutes to complete the SMART goal-setting worksheet. Try to create a goal for sometime in the next 5 years. Would anyone like to share? (If not, then I will share one)

<table>
<thead>
<tr>
<th>WHICH GOAL IS A SMART GOAL?</th>
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<tbody>
<tr>
<td>- SAVE SOME MONEY FOR COLLEGE.</td>
</tr>
<tr>
<td>- DO BETTER IN MY BIOLOGY CLASS.</td>
</tr>
<tr>
<td>- SAVE $500.00 THIS SUMMER FOR A NEW CAR.</td>
</tr>
<tr>
<td>- SET ASIDE $10.00/WEEK UNTIL I HAVE $400 SAVED.</td>
</tr>
<tr>
<td>- TRAIN TO RUN A MARATHON.</td>
</tr>
</tbody>
</table>

This slide is generally a conversation piece to discuss all the material covered in class during this Module.

Provides an opportunity to reinforce how past experiences, self-esteem, self-image, projection, personality, values, beliefs, attitude, learning styles, and goal setting can contribute to financial literacy.

What have you learned this session?

Read this slide to the participants.

Introduce the topic for Module 2.

Should time permit, Facilitators will assist with the making the connection homework.
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<tr>
<td>Have this logo slide up as people enter the room and take their seats.</td>
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<tr>
<td>Remember to interact with participants to help ease anxieties and build rapport.</td>
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<tr>
<td>Review the ground rules on flipchart.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Agenda - Week Two</th>
<th>Module Teaching Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welcome Participants back to Manage Your Money.</td>
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<tr>
<td>Review agenda with Participants.</td>
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<tr>
<td>Discuss group ground rules, specifically the rule about not leaving the room except for breaks.</td>
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</table>

<table>
<thead>
<tr>
<th>Homework Review</th>
<th>Module Teaching Notes</th>
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<tr>
<td>Review the Making the Connection portion from last week.</td>
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<tr>
<td>Would anyone like to share what influences your attitude towards money?</td>
<td></td>
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<tr>
<td>How is your learning style connected to financial literacy?</td>
<td></td>
</tr>
<tr>
<td>Who thinks they have an internal locus of control? External? Mix?</td>
<td></td>
</tr>
<tr>
<td>What would the ideal locus of control look like? Did anyone create a SMART goal that they would like to share with the group?</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Take a Break, You've Earned It!</th>
<th>Module Teaching Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allow a washroom break (5-10 minutes).</td>
<td></td>
</tr>
<tr>
<td>Make sure to clarify with agency staff that participants' are allowed to leave the room independently during the break.</td>
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</tbody>
</table>
Review objectives and learning outcomes for Module 2.

In your manuals, what are the learning outcomes for Module 2?

What are you most interested in learning about during this session?

Explain the cost of living as, the essentials we require to survive.

Encourage participants to come up with; food, water, shelter, heating, utilities, transportation, clothing.

Briefly note that another cost of living, that everyone has to pay, is taxes. Can COL change over time? How?

Discuss variable expenses in cost of living such as medicine, dentist, phone etc.

Explain inflation and how cost of living is constantly changing.

Ask Participants to provide examples of cost of living changes they can recall.

What happens when the COL is higher than the amount of money that we have coming in? What would you do to survive? Take on extra jobs? Start making sacrifices in the way that we live? Turn to illegal means? Borrow money? Become homeless?

C.O.L.A. – Cost of Living Adjustment

A protective program put into place by the government to assist with inflation.

Explain that as the cost of living increases the government (COLA) increases the minimum wage, social security, social assistance

Use this table to illustrate the effect COLA has had on minimum wage

As time moves on and cost of living expenses increase, Minimum wages increase to reflect the times.
Explain how fuel prices influence the cost of living.

Most of what we purchase has fuel as a factor.

Most products require transportation, items shipped from overseas, vegetables transported from hotter climates etc. And of course our own use of fuel for transportation purposes.

This slide is used to illustrate the most common ways people earn money. Has anyone here experienced being paid in one of these ways?

In pairs, have groups discuss these methods of earning and identify some Pro’s and Con’s.

Usually someone has the feeling that commission based sales are not good. Explain local realtors making $200,000 a year.

Use the following slides to inform those who haven’t had a job, and those who have but are unaware, what should be on a paystub.

There are a number of acronyms that can be confusing to participants who have been out of the working world for extended periods of time.

Name & Address (#1): This is your name and address. Be sure to check that your employer has all the correct information.

Pay Period Information (#2): This identifies what period of work you are being paid for.
<table>
<thead>
<tr>
<th>Rate &amp; Hours Information (#3): This shows how many hours you are being paid for and at what rate. Be sure that this is accurate for the pay period.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross earnings (#4): The total of all of your cash earnings, including regular pay (i.e., your straight salary or your hourly rate times the number of hours worked in the pay period); overtime pay; and vacation pay.</td>
</tr>
<tr>
<td>Statutory deductions (#5): An employer has a legal obligation to withhold statutory deductions, which, in order of priority, are: CPP or QPP (Quebec only) contributions, EI and QPIP (Quebec only) premiums, and federal and provincial income tax. Everywhere except in Quebec, provincial tax is collected as part of the federal income tax deduction. Quebec has separate deductions for federal and provincial taxes.</td>
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<tr>
<td>Net pay (#6): Total all your deductions, subtract them from your gross earnings, and you’re left with your net pay. That’s what you’re actually taking home.</td>
</tr>
<tr>
<td>What else appears on your paycheque?</td>
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<tr>
<td>Some other things might be: union dues, health benefit deductions (if you receive benefits from your employer), Canada Savings Bond or Registered Retirement Savings Plan (RRSP) contributions.</td>
</tr>
<tr>
<td>Required to file income taxes annually. Individuals and corporations, who have an income are expected to report their earnings to the Canada Revenue Agency (CRA). Not all people have to pay taxes and not everyone has to pay the same amount Pose the questions; Who might not have to pay taxes? Why would the amount people pay be different?</td>
</tr>
</tbody>
</table>
What happens to our tax dollars? Have participants come up with answers such as, hospitals, policing, road maintenance, child and family services, schools, prisons, etc.

Talk about developing/third world countries that don’t pay taxes and the condition of some of these countries. Some roads are impassable.

Talk about people who are cheating the system, collecting employment insurance benefits and working on the side for cash. “Society pays for that, you pay for that”.

What are the consequences of tax evasion?

Have the participants refer to page 20 in their workbooks for the most recent tax information.

“The more you make, the more they take”.

Income taxes must be filed by April 30th of each year. Consequences to filing late, if you owe there is interest. Can generate an HST rebate depending on your income level.

Exercise on needs wants and priorities. Make up cards with items written on the cards. Some will be obvious needs, while others are on the fence, and last the undeniable wants.

Hand them out to participants and have them read aloud. From there the group debates if the item is in fact a need or a want. This will result in differences of opinion with items such as cigarettes or donations at church.

Draw attention to Participants purchase habits

Impulse buy: at the grocery store, things like milk and eggs will always be at the back. Customers will often see other items that they never intended to buy, but buy anyways.

Informed buy: these are the type of purchases that have been thought out. The consumer has given this considerable thought, have researched the product, read reviews, price compared etc.

Emotional buy: purchases made to fill a void. Chocolate, because it is a comfort food, music because it makes you feel happy or sad.
Read the question and generate conversation.

Provides an opportunity to reinforce how Cost of Living, C.O.L.A., taxes, the working world, and needs, wants, and priorities can contribute to financial literacy.

Introduce the topic for Module 3 and suggest people read ahead to create some front matter for the upcoming session.

Should time permit, volunteers and Facilitator will assist with the making the connection homework.
Module #3 – Banking and Borrowing

This is a very content-heavy session. You might want to consider offering additional breaks for the participants if you notice their attention slipping.

<table>
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<tr>
<th>Slide</th>
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<tbody>
<tr>
<td>Have this logo slide up as people enter the room and take their seats.</td>
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<td>Remember to interact with participants one-on-one to help ease anxieties and build rapport.</td>
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<tr>
<th>Agenda - Week Three</th>
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<tbody>
<tr>
<td>Welcome Participants back to Manage Your Money</td>
</tr>
<tr>
<td>Review agenda with Participants</td>
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<tr>
<td>Discuss group ground rules.</td>
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<tr>
<th>Homework Review</th>
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<tbody>
<tr>
<td>Take some time to review the Making the Connection section from last session.</td>
</tr>
<tr>
<td>Make sure to get the participants involved with the discussion; participant retention is extremely high when they have had the opportunity to teach others.</td>
</tr>
</tbody>
</table>

| Take a Break, You've Earned It! |
| Allow a washroom break (5-10 minutes). |
Review objectives and learning outcomes for Module 3.

**What are you excited to learn about?**

**What are you already familiar with?**

Major difference between the two is ownership.

A person, persons or stockholders own banks.

Credit union is owned by the membership of the union, namely the people who hold accounts.

Banks primary focus is Business.

Credit unions primary focus is people.

Who has used a bank? Credit union? Do you have any experiences to share?

Discuss the two standard types of accounts Chequing and Savings.

Explain often a person will have both types of accounts

Briefly explain the difference between the two and elaborate in the following slides

Savings – used to save money, but not making multiple withdrawals. Could use to save money for a down payment, school loans etc.

Chequing – used for day to day purchases and paying bills from this account.

Could use for groceries, bills, going out with friends etc.
Financial institutions pay a very low amount in these accounts. Once you have a substantial amount you could look at investment options discussed in greater detail later. Higher interest rates equal higher return. Look for high interest savings accounts. These slides are used as cautions and to draw attention to the fine print.

Explain introductory rates that banks offer that sound appealing in the beginning but then switch to poor interest rates resulting in minimal growth.

Discuss minimum balances required in order to receive interest. Some require a minimum of $1000 to be eligible but others don’t have a minimum balance. Read the fine print or ask questions.

Explain the power of compound interest with an activity. Refer to the chart on page 39, which illustrates the money compounding as it gains interest on the interest as well as on the deposited funds.

Review list of common uses of a chequing account.

- Bills payments such as car payments, rent, internet, insurance etc. can all come from your chequing account.

Customize your account to your usage.

You should look for an account that allows you to only use the services you need. This will keep the cost of the account down and will let you have every service you need.
**Avoid an account that you have unlimited cheques for $4.99 a month, if you only write 1 cheque a month which might cost you .50 cents**

Banks make a lot of money off “Fees”. Fees may be inevitable, however you can avoid paying unnecessary fees by reading the fine print.

You can also negotiate with your bank. They want to keep your business.

### Borrowing: Lines of Credit

A line of credit is a type of loan that lets you borrow money up to a preset limit. You can use the funds as needed up to a specified maximum and pay the loan back at any time. You are charged interest from the day you withdraw money until you pay the loan back in full.

Have participants consider the question why do I need to borrow money? Is this a need or a want? Is what I am borrowing for considered good debt or bad debt? Will the item increase or decrease in value?

Explain Participants need to shop around for the best interest rate for the entire term of the loan. Best way is through a line of credit as they offer the best interest rates, currently around 3-5%

Usually used for longer terms

Discuss needing credit rating to be able to access lines of credit. Explain paying back the line and interest is only charged on amount used.

Who has ever had a line of credit? What for?

Second in line of borrowing is through the use of a credit card. Second place because their interest rates are much higher than a line of credit 18.9%-28.8%.

That is a massive jump in interest, hence the importance of having good credit.

Paying back the credit card company should be done as quick as possible to avoid interest charges.

Interest is typically charged 30 days after the purchase.

Know about the conditions attached to your credit card

Decision to get a credit card should be made based on maturity and knowing yourself and self-control.

Applying for multiple credit cards can hurt your credit.

The temptation to make impulse purchases increases with a credit card because people feel as though they have the money due to having the card. A good rule of thumb for building credit through the use of a credit card is, if you don’t have the money to go home and pay it off, don’t use the card.

Give a real life example about credit card issues.
Provide them with examples of good debt. A mortgage has a history of being good debt. My first house I bought for $100,000 and 10 years later I sold it for $197,000. Although $100,000 is a lot of debt, when you get $197,000 10 years later it was a good debt to incur. Good debt increases in value over time. Who has any other examples of good debt?

Ask the participants what they would consider a bad debt. Hand out pieces of paper with different things that can put you in debt (vacations, medical school, car payments) and have them discuss each as good or bad debt.

Consumables are bad debt. Vacations, although provide some relief from stress is consumed in a week and gone except the memories. Bad debt, if you have to go into debt to get it Automobiles, decrease in value the moment you drive it off the lot. Ex. “Mike bought his first vehicle, a truck, for $18,000 in June, in July his wife got pregnant. Mike went back to the dealership and asked to switch into a vehicle that was more family oriented. They offered $12,000 for his truck towards a family oriented vehicle. In 1 month the truck lost $6000.”

Discuss benefits to recognizing the debt and making changes. Relief from collection agencies, simplifies payments, reduces interest. Professionals can assist you in organizing your finances. This can be a great way to receive some assistance.
Payday loans are dead last in line to borrowing money. Use the chart to illustrate, in percentages, the cost of payday loans. The fees, in conjunction with interest, create a 435% interest rate. This slide speaks for itself. Are you surprised by these statistics?

This slide is generally a conversation piece to discuss all the material covered in class during this Module. Provides an opportunity to reinforce how banking, interest rates, credit, credit cards, good and bad debt, and the danger of payday loans can contribute to financial literacy. Ask the question and generate conversation.

Introduce the topic for Module 4 and suggest the participants take a few minutes to go through the connection homework.
# Module #4 – Budgeting

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<tr>
<th>HOMEWORK REVIEW</th>
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<tr>
<td>WHAT CHECKING/SAVINGS ACCOUNTS ARE BEST FOR YOU?</td>
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<tr>
<td>WHAT IS THE BEST OPTION FOR BORROWING MONEY?</td>
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<tr>
<td>LIST THREE BENEFITS OF A CREDIT CARD AND ONE DISADVANTAGE.</td>
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<tr>
<td>LIST THREE TYPES OF GOOD DEBT.</td>
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<tr>
<th>AGENDA - WEEK FOUR</th>
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<tr>
<td>WELCOME BACK!</td>
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<tr>
<td>CREATING A BUDGET</td>
</tr>
<tr>
<td>COMPUTER EXERCISE</td>
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<tr>
<td>WRAP UP</td>
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<th>AGENDA - WEEK FOUR</th>
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<tr>
<td>Review agenda with participants.</td>
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| REVIEW THE OBJECTIVE AND LEARNING OUTCOMES FOR |
| WEAK 4. |
| DISCUSS THE MAKING A CONNECTION PORTION FROM THE PREVIOUS SESSION. |

<table>
<thead>
<tr>
<th>WHAT IS BUDGETING?</th>
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<tr>
<td>MAKING A PLAN</td>
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<tr>
<td>REFLECTS YOUR GOALS AND PRIORITIES.</td>
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<tr>
<td>HELPS CONTROL AND PRIORITIZE YOUR SPENDING</td>
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<tr>
<th>WHAT MAKES A GOOD BUDGET?</th>
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<tbody>
<tr>
<td>Everybody needs to budget.</td>
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</table>
1. Explain the importance of having all the information required. All bills for the past three months. Include everything including that morning coffee you have daily
2. Organize the facts into a workable budget
3. Fixed costs never change such as a mortgage payment. Discretionary payments can change such as groceries.
4. Mortgage should not exceed 1/3 of your gross income
5. Pay 10% of income to savings

6. Figure out those items you could live without, $5 mocha latte
7. Review credit card statements to see the cost of paying just the minimum. See example in the book
8. Invest as much as you can and do it early to take advantage of compound interest
9. Recognize that a budget is an ongoing document that requires review and edits.
10. Be sure to reward yourself when you have achieved the goal you set through the budgeting process.

At this time participants will complete a budgeting activity, explore potential living places and cost of living for those areas. Participants will require a considerable amount of support from facilitators to know the basic cost of living in certain areas.

Guide them through living considerations; alone or roommate’s, what part of town, transportation personal or public, etc.

Introduce the topic for Module 5 and suggest people read ahead to create some front matter for the upcoming session.

How did you feel about creating a budget? What was surprising to you? Let the participants work on the making a connection section.
<table>
<thead>
<tr>
<th>Slide</th>
<th>Module Teaching Notes</th>
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<tbody>
<tr>
<td>Manage Your Money</td>
<td>Have this logo slide up as people enter the room and take their seats.</td>
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<tr>
<td>AGENDA - WEEK FIVE</td>
<td>Welcome Participants back to Manage Your Money Review agenda with Participant</td>
</tr>
<tr>
<td>What are you most excited about in this session?</td>
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</tr>
<tr>
<td>HOMEWORK REVIEW</td>
<td>Take some time to review the Making the Connection section from last week, discussing all answers and creating conversation. There is some value to this happening in a whole group, as retention is extremely high when they have had the opportunity to teach others.</td>
</tr>
<tr>
<td></td>
<td>Allow a washroom break (5-10 minutes).</td>
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</table>
Review objectives and learning outcomes for Module 5. Pose the question; what methods of identity theft and/or scams are you aware of?

Introduce today’s topic of identity theft, safety and security with your personal information, and deceptive tactics that criminals can use to gain access to your most private information. Do you feel your personal information is safe and secure? **Was it in the past?**

Traditional forms of identity theft:
- **Telephone scams** - go back before the computer era. Victims receive phone calls stating they have won a prize, excited they reveal all the personal information a thief needs for identity theft.
- **Dumpster diving** - Thieves examine garbage and recycling looking for bills and statements that have all the numbers they need to open accounts in your name.
- **Phishing** – Thieves pose as banks or companies and send out emails requesting action be taken. The action is to verify all your security information by emailing them back.
- **Skimming** – Thieves use devices and cameras to read your cards and steal your pin numbers
- **Malware** - A virus on your computer that assist thieves in tracking your keystrokes

Prompt participants to discuss how we can prevent these types of fraud (paper shredders, if you get a call, ask them if you can call them back, don’t click on pop-ups, get an anti-virus program, protect your PIN number).

Read off the list of tips to avoid credit card scams.

**Does anyone have any additional tips to share?**
Read off the list of tips to avoid debit card scams.

This is a basic introduction to investing, not intended to replace a financial advisor. If you have any additional questions let us know and we will find out for you.

Risk is based on many aspects such as age, familial status, income, and your personality as it relates to taking risks or not.

Some investments are guaranteed and have safeguards to ensure they never lose, while others are sure to lose money.

Diversification is important, “don’t put all your eggs in one basket”.

High risk...... High reward

Low risk...... Low reward

Have the participants identify their risk level.

Slide lists various types of investments.

Examples of low and high risks.

Mortgages listed takes lots of time but historically a good investment.

There are extra monthly fees associated with investing. Make sure you ask all appropriate questions.
Explain that the government has incentivized investments such as the ones listed. Incentives are offered to promote people putting money in areas that are critical for the future in hopes that Canadians are not dependent on social assistance and services as they age. **Why is this important?** School, Retirement, Savings account incentives, and disability plans for care of people with disabilities. The incentive is huge tax deferrals to Canadians while they are in their prime earning years.

A TFSA is a great way to get started saving money in small amounts over a long period of time. Consider opening a TFSA if you are looking to keep your money somewhere for many years until it matures enough to make a good return for you.

Know the difference between a Financial Planner and a Certified Financial Planner. Anyone can call themselves a Financial Planner, so ask for their credentials. Financial planners are people with the wisdom and knowledge to assist you in directing your funds.
<table>
<thead>
<tr>
<th>WHAT IS YOUR RISK TOLERANCE?</th>
<th>Ask participants to consider some of the factors discussed earlier with regards to risk. Do they find themselves in the Low, Medium, or High risk level after listening to the rest of the module. Why?</th>
</tr>
</thead>
<tbody>
<tr>
<td>WHICH TYPES OF INVESTMENTS MATCH YOUR LEVEL OF ACCEPTABLE RISK?</td>
<td>Congratulate the participants for completing the program. Have certificates completed and give them to each participant individually and thank them for attending the program. Ask if there are any questions that haven’t been answered.</td>
</tr>
<tr>
<td>CONGRATULATIONS! YOU HAVE SUCCESSFULLY COMPLETED THE MANAGE YOUR MONEY PROGRAM WELL DONE!</td>
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</tbody>
</table>
The Manage Your Money Participant Workbook has been designed to be an interactive learning tool for the participants. There are many fill in the blanks throughout to enhance the participants learning. The instructors workbook (with all the fill in the blanks), has been attached in the appendix.
Appendix J
Raw Data Tables

Table 1J
Answers to the Financial Capabilities Scale-Short Version (FCS-SV)

<table>
<thead>
<tr>
<th>Participant</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q5</th>
<th>Q6</th>
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Table 2J
Participant Answers to the Financial Attitudes and Behaviors Measure (FABM)

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<th>Participant</th>
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Table 3J
Summary of answers for FABM

<table>
<thead>
<tr>
<th>Category</th>
<th>Question</th>
<th>Most Common Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Interest:</td>
<td>1. I am very interested in financial matters and I take an active interest in my private finances.</td>
<td>60% of participants selected very interested.</td>
</tr>
<tr>
<td>(1=not interested, 5=very interested).</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. How interested are you in matters pertaining to your own finances?</td>
<td>60% of participants selected very interested.</td>
</tr>
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</tbody>
</table>
3. How interested are you in actively acquiring information about new ways of saving? 60\% of participants selected very interested.

Self-Control:  
\textit{(1=never, 5=very often).}

1. How often would you borrow from friends or get extra money a few days before more money is released to you, because your expenses during the month have been too high? 90\% of participants chose never.

2. How often would you buy something on impulse? 40\% of participants selected that they occasionally made impulse purchases.

3. I had difficulties establishing regular saving habits. 40\% of participants selected never.

Attitude Toward Financial Risk Taking:  
\textit{(1=not risky, 5=extremely risky).}

1. How would you describe the risks you have been taking when saving and investing money in your past? 80\% of participants selected that they sometimes make risky choices when saving and investing money.

Financial Control and Planning:  
\textit{(1=not at all, 5=very well).}

1. How well did you keep track of your spending? 30\% of participants selected that they kept track of their spending well.

2. I had good control over my savings. 40\% of participants that they had good control over their savings.

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|c|}
\hline
\textbf{Participants} & \textbf{Pre-Test} & \textbf{Post-Test} & \textbf{Difference} \\
\hline
1 & 80\% & 88\% & +8\% \\
2 & 84\% & 80\% & -4\% \\
3 & 64\% & 60\% & -4\% \\
4 & 24\% & 72\% & +48\% \\
5 & 64\% & 84\% & +20\% \\
6 & 84\% & 92\% & +8\% \\
7 & 72\% & 88\% & +16\% \\
8 & 52\% & 72\% & +20\% \\
9 & 84\% & 84\% & 0 \\
10 & 80\% & 72\% & -8\% \\
\hline
\textbf{Means*} & \textit{73.7\% (SD=11.5)} & \textit{80\% (SD=10.19)} & \textit{6.2\% (SD=10.79)} \\
\hline
\end{tabular}
\caption{MYMCQ Pre- and Post-Tests Scores}
\end{table}

*Means exclude scores for participant four, who did not fully complete the pre-questionnaire.
Table 5J
Paired samples statistics for the Manage Your Money Content Questionnaire using a paired samples t-test.

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
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<tr>
<td>MYMPreTest</td>
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Table 6J
Summary of Responses for the Quantitative Questions on the PFS

<table>
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<tr>
<th>Scale</th>
<th>Question</th>
<th>Most Common Response</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>(1=Strongly Disagree, 10=Strongly Agree)</td>
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<tr>
<td></td>
<td>1. The information presented was what I intended it to be.</td>
<td>50% of participants selected strongly agree.</td>
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<td></td>
<td>2. The information was helpful and easy to understand.</td>
<td>70% of participants selected strongly agree.</td>
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<td>3. The workbook exercises were easy to understand.</td>
<td>80% of participants selected strongly agree.</td>
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<td>4. The examples provided in the program were relevant.</td>
<td>60% of participants selected strongly agree.</td>
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<td>7. The pace of the delivery was good (not too fast, or too slow).</td>
<td>70% of participants selected strongly agree.</td>
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<td>8. The skill(s) I learned will be useful to me.</td>
<td>70% of participants selected strongly agree.</td>
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<td></td>
<td>13. How would you rate the program overall?</td>
<td>60% of participants selected strongly agree.</td>
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Table 7J
Participant Answers to the Quantitative Questions from the Participant Feedback Survey (PFS)

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<thead>
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CONGRATULATIONS

YOU HAVE SUCCESSFULLY COMPLETED THE MANAGE YOUR MONEY FINANCIAL LITERACY PROGRAM

<table>
<thead>
<tr>
<th>DATE</th>
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<th>FACILITATORS NAME</th>
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Appendix K
Manage Your Money Completion Certificate