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b CANADIAN FINANCIAL ASSOCIATION  Financial Consumer Agency of Canada Agence de la consommation en matière financière du Canada

Pop Quiz Question 1

Budgeting and financial planning can help you:

- a) discover the secret to happiness
- b) become a millionaire
- c) achieve your life goals



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Pop Quiz Question 2

Saving money is:

- a) a drag
- b) something to worry about when you're older
- c) a way to have choices in your life




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Pop Quiz Question 3

Credit and debt are:

- a) to be avoided at all costs
- b) tools you use when you need them
- c) a shopper's best friend



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Pop Quiz Question 4

Scams, fraud and identity theft mean that:

- a) it's safest to keep your money hidden under a mattress
- b) you might as well just spend whatever you have
- c) you have to use care to protect your assets and documents

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Pop Quiz Question 4

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Planning and Budgeting

A budget is . . .

- an organized way of managing money
- a picture of where your money is coming from and where it is going

Why budget?

- Achieve short- and long-term goals
- Get a clear picture of where you are and where you are headed
- Peace of mind



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Lifestyle Reality Check Budget

See how expectations for future lifestyle match up against projected income



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Saving

Not spending all your money

- putting money aside for your needs in the future

Ways to save

- Pay yourself first
 - save the first 10% of income after deductions
- Reduce spending on wants
- Put your money to work



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Putting your money to work

Earn interest

- a savings account is a simple investment
- bank pays interest on money you deposit in savings accounts or term deposits
 - FCAC website compares interest rates (www.fcac.gc.ca)
- Tax Free Savings Account
- Canada Savings Bond (CSB)

Grow in value

- some investments can grow in value
- e.g.: shares, mutual funds, property

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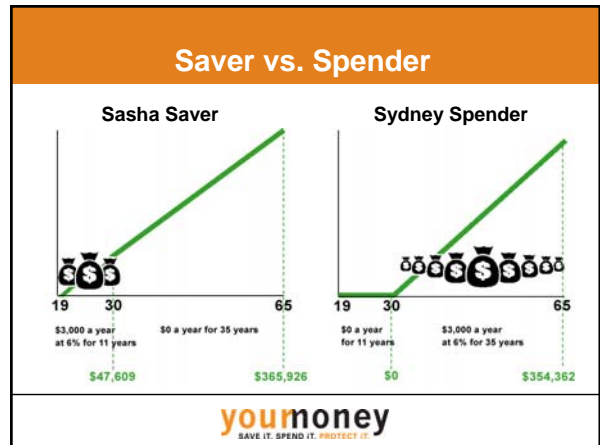
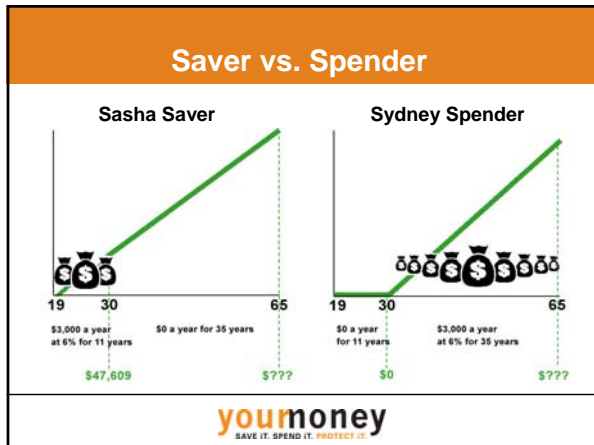
Savings add up

Compound interest

- interest paid on the initial deposit and on any interest that has been earned
- e.g.:

Year	Beginning Balance	Interest (3% yearly)	Ending Balance
1	\$3,000	\$91	\$3,091
2	\$3,091	\$94	\$3,185
3	\$3,185	\$97	\$3,282
4	\$3,282	\$99	\$3,381
5	\$3,381	\$103	\$3,484

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Financial institutions

Banks, credit unions, trust companies

Variety of services

- student accounts • student loans
- card services • investments
- etc.

Variety of fees and costs

- fees per service
- monthly fees

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Shopping for banking services

Find one that meets your needs

- convenient locations (branches and ABMs)
- hours of operation (in person, by phone, on line)
- schedule of fees
- interest rates (paid and charged)

Check out special accounts for youth and students

- may be reduced fees and special services

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Payday Loans & Cheque Cashing



Consider the cost of services
Talk to a credit counsellor if needed

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Credit and borrowing

Financing a used car

cost	\$6,000
you have	\$2,000
you borrow	\$4,000 at 10% over 4 years
your payments	\$101.45 a month for 48 months
interest totals	\$869.60

Total cost: \$6,869.60

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Comparing rates

Financing a used car

	at 10%	at 5%
cost	\$6,000	\$6,000
you have	\$2,000	\$2,000
you borrow	\$4,000	\$4,000
your payments	\$101.45	\$92.12
interest totals	\$869.60	\$421.76

Total cost: \$6,869.60 \$6,421.76

You save: \$447.84

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Credit cards

A payment tool

- easy to use, widely accepted
- not hard to get
- often a grace period
- other options for long-term borrowing

Interest and fees

Purchase vs. cash advance

Pay off the balance

Shop around

- compare cards at www.themoneybelt.ca

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Student loans

Know how much you'll need

Explore all options

- scholarships
- savings and other assets
- working

Understand the loan terms

www.canlearn.ca



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Credit and debt

Can be good or bad

- depends on your goals and financial situation
- use debt wisely to achieve your goals

Shop around

- compare rates, payments and total cost
- annual percentage rate (APR)
- consider the whole deal

Pay down debt first



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Building a good credit history

Use credit carefully to build a history

DO:

- pay bills on time
- pay at least the minimum amount
- check your accounts for errors

DON'T:

- use credit you don't understand
- wait to report problems
- go over your credit limit

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Keeping your money safe



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The Big Bad 5

Advanced fee scams

- send your bank information to receive money

Overpayment scam

- cash a cheque for someone

Phishing

- fake email or website

Vishing

- fake voicemail or email security "alert"

Telemarketing fraud

- phone calls asking for information or money



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Identity theft

Someone gets your personal information and pretends to be you

- telephone, online and in person
- social networking (Myspace, Facebook, etc.)

What can you do about it?

- keep personal information private
- keep ID safe
- don't share passwords or PINs (even with friends)
- change passwords and PINs frequently
- watch your accounts for anything suspicious

Resolve problems with your bank

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It's your money, so...

- ✓ Choose your goals, work toward them
- ✓ Budget to manage your money
- ✓ Save and gain from compound interest
- ✓ Use your credit wisely
- ✓ Protect your money



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For more information

Canadian Bankers Association

- Your Money: www.youmoney.cba.ca



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