



Financial Basics **WORKSHOP**

Participants' Handbook



Financial Consumer
Agency of Canada

Agence de la consommation
en matière financière du Canada

Canada

Financial Basics workshop resources are available in both English and French. These free resources are also available online and include the following:

- Presenter's Manual
- Participants' Handbook
- Presentation slides
- Promotional artwork
- Financial Basics brochure

If you are interested in ordering Financial Basics materials please visit Financial Basics workshop in the Financial literacy programs section at www.canada.ca/money.

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Welcome to Financial Basics, a five-hour workshop on personal financial management.

The workshop materials cover several topics:

- How to manage your spending and prepare a realistic budget
- How to manage credit
- How to pay off debt
- Ways to save
- How to set and reach your own financial goals
- How to protect yourself from fraud

This handbook summarizes all of the key information points that are presented in the workshop. It includes worksheets and resources that you can use today and in the future to keep track of your finances. You can continue to use this handbook for reference as you continue to learn about financial management.

The Financial Basics workshop was created for Canadians who are taking their first steps toward managing their finances effectively. Although a brief workshop cannot cover financial management in depth, Financial Basics will introduce you to the topics you need to know about to help you manage your money.

Financial Basics was developed by the Financial Consumer Agency of Canada (FCAC), an agency of the Government of Canada, and the Ontario Securities Commission (OSC), in collaboration with Ellen Roseman, a financial author and journalist. Both organizations, FCAC and OSC, are dedicated to developing and promoting unbiased, independent information, programs and tools to help consumers strengthen their financial literacy.

DEFINITION



Financial literacy has been defined as: “having the knowledge, skills and confidence to make responsible financial decisions.” Today’s Financial Basics workshop will get you started on that path. Have fun!

INTRODUCTION

Why learn about financial literacy?



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

Benefits of gaining financial skills

- Control your financial future
- Achieve your life goals
- Provide for yourself and your family
- Be a smarter consumer
- Reduce stress and sleep better
- Be confident that you can manage your finances

Whether your goal is to get out of debt, to balance your budget or to retire in style and comfort, start by setting a financial goal and making a plan to get there.

Some of my financial goals are:

Examples:

- Save enough to buy a new laptop computer, \$500.
- Pay off my credit card, \$700.
- Start saving to buy a car, \$50 a month.

BUDGETING



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

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

TIP



- When you think about budgeting, it's important to look beyond balancing expenses against income in the short term. Be sure to include savings for an emergency fund and for future needs like ongoing education, mortgage, etc.
- Savings should always be part of your budget. Small savings add up fast and can be there for emergencies or unexpected expenses.

Income and Expenses

Most people have a good idea what their income is. Simply add up the money you make from a job, and any other money that you have coming in. If your income is irregular, try to calculate a monthly average.

It may be harder to know what you spend. That's why you need to keep a record.

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

DEFINITION



- **Fixed expenses** are those that come up every month and are roughly the same each month, like rent or mortgage payments, utilities, loan repayments and child care.
- **Variable expenses** are those that may vary from month to month, like food, entertainment, travel, and home maintenance and repair.

My monthly budget

Use pages 3 and 4 to fill out a monthly budget for yourself or your family. On this page, enter your monthly income. On page 4, enter your monthly expenses (fixed and variable). At the bottom of page 4, subtract your expenses from your income. Do you have a surplus or a deficit?

Examples of monthly income

Average monthly net income from employment after deductions.

	Typical
Food and beverage servers	\$1,070
Cooks	\$1,334
Early child educators and assistants	\$1,517
Musicians and artists	\$1,757
Retail salespersons and clerks	\$1,267
Hairstylists and barbers	\$1,315
Sales and service occupations	\$1,435
Dental assistants	\$2,054
Bookkeepers	\$1,901
Graphic art technicians	\$2,501
Construction trades workers	\$2,192
Banking, insurance and other financial clerks	\$1,910

[Sources: Average Canadian net income for various occupations, after deductions, adjusted for typical hours of work, based on Statistics Canada, 2017.]

Your monthly income

Monthly income from a full or part-time job _____

Add Income from other sources*

Source 1: _____

Source 2: _____

Source 3: _____

Total _____

TIP



When your income changes from month to month, it's especially important to keep your budget up to date. This lets you know your financial position and make adjustments when you need to.

*You may have a variety of part-time jobs or income from self-employment, bursaries, grants, etc. Keep records of your income from all sources. Try to estimate the approximate total from all sources of income for a typical month.

Monthly expenses

Fixed expenses	Typical	Your fixed expenses
Housing (rent – own)	\$322 – 1,357	_____
Car payments	\$369	_____
Other loan payments (Line of credit, student loans, etc.)	\$468	_____
Insurance (car, home, travel, etc.)	\$239	_____
Utilities (electric, gas)	\$205	_____
Telecommunications (cable, Internet, telephone, cell phone, long distance, voice and data roaming charges)	\$187	_____
Child care	\$127	_____
Other		_____
Total fixed expenses		_____

Variable and irregular expenses	Typical	Your variable expenses
Groceries	\$514	_____
Eating out	\$217	_____
Household expenses (cleaning, maintenance, furniture)	\$209	_____
Computer (hardware, software, accessories, supplies)	\$26	_____
Pets	\$54	_____
Transportation (transit, gas, car maintenance, etc.)	\$104-286	_____
Health care (medical services plan, dental, glasses/lenses, medication)	\$152	_____
Clothing and footwear	\$280	_____
Personal care (toiletries, hair care, make-up, laundry)	\$109	_____
Recreation (movies, games, music, clubs, concerts, sports, etc.)	\$327	_____
Travel	\$140	_____
Gifts and charitable donations	\$160	_____
Education (post-secondary tuition, books, fees, etc.)	\$140	_____
Other	\$149	_____
Savings	\$220	_____
Total variable expenses		_____

Total monthly income (from page 3)

Less total monthly expenses (fixed + variable)

Equals monthly surplus or deficit

[Source: Average Canadian expenses based on Statistics Canada, 2017.]

MORE INFORMATION



You can find a free online budgeting tool on the FCAC website and other tools in the Canadian Financial Literacy Database. Go to Canada.ca/financial-tools, then:

- Click on [Budget Calculator](#)
- Click on [Canadian Financial Literacy Database](#), select the topic Budgeting and money management

MANAGING YOUR COST OF LIVING – BEING A SMART CONSUMER



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

Tips for saving on fees, products and services

When you track your expenses carefully, you can find ways to save in almost every area of spending. These tips are a starting point. Watch your own expenses to find any others that apply to you. They may not seem like big things, but small savings add up over time.

Check your bills

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

Negotiate better plans

Most service providers (except monopolies like utilities) will negotiate and match the prices of their competition, especially if you have done some homework and tell them what the competition is offering.

Call the customer retention or loyalty department of each service provider (Internet, cable, phone, etc.) and ask:

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

If you are tied into a long-term contract, you may have less flexibility to negotiate your costs. You may have to pay exit fees to get out of your contract. Factors like these can increase your costs.

After you make changes to your account, be sure to follow up when you get your bills and check that no errors were made. (Get them corrected as soon as possible to avoid fees and penalties.)

Reduce banking costs

TIPS



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

You can reduce your cost of banking by asking the right questions and making changes to your service package.

Call the customer service representative at your financial institution and ask:

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

MORE INFORMATION



Use FCAC's Account Comparison Tool to find the best banking service package for you.

- Go to Canada.ca/financial-tools.

You might be considering new online financial services to save money and reduce your banking costs. Be sure to do your research to understand the costs and whether the product or service meets your needs.

What are digital financial services?

Digital financial services use innovative technologies like mobile phone apps and online payment systems to expand or simplify basic financial services.

- They may offer convenient, inexpensive alternatives to traditional banking services.
- There may be increased risks to reliability, privacy and security.

Before signing up to a digital financial service, be sure to check carefully the costs and the security provisions. Don't assume that they have the same security as a traditional financial institution.

Ask questions regarding:

- How your personal information is protected
- Who your personal information is shared with
- Where the information is stored (Canada or elsewhere)

For more information about digital financial services, go to Canada.ca/money, then click on [Managing your money](#), then [Payment options and money transfers](#), then [Mobile payments](#).

Cell phone vs land line

Most everyone has a cell phone nowadays. It often comes down to whether we need a home phone also.

Ask yourself:

- What am I paying for land line and cell phone?
- How much do my long-distance calls cost?
- Is my landline part of a bundle?

You may be negatively impacted for cancelling your landline if you lose your bundle discount. Or you may have to pay a penalty if you are under contract.

However, losing your bundle discount could be less than what you are saving by cancelling your home phone. Check with your provider to understand all the fees and costs.

Save on food expenses

Food expenses are a significant area for finding savings, because we often choose the most convenient option and don't consider the costs.

Because they are repeated daily, even small expenses can add up to a lot. Keep a close watch for food costs that you can cut without losing the enjoyment of your food.

How to save on food

- Eat breakfast at home.
- Bring your lunch, drinks, snacks, and coffee.
- "Veg out" on low-cost meatless meals at least once a week.
- Cook one big dish on weekends and freeze leftovers.
- Shop with a buddy at discount supermarkets and split quantities.
- Set a budget for fast food, take-out and eating out, and **stick to it**.

Save when you shop for groceries

- Plan meals and snacks in advance.
- Bring a list and buy only what you need.
- Buy fresh when in season, and freeze extras for later.
- Buy canned and frozen vegetables and fruit if you don't have access to affordable fresh fruits and vegetables.
- Know which stores near you are the best value.
- Check for discounts and coupons (a mobile app can help).
- Buy non-food items like dish soap and plastic containers at a discount store.
- Don't shop on an empty stomach.

Cut your car costs

Do you know the full costs of owning or leasing a vehicle?

- Add up the real costs of ownership (gas, insurance, depreciation, interest and maintenance).
- The Canadian Automobile Association estimates that the average total costs of owning and operating a compact car range from about \$150 to about \$160 a week, or around \$8,000 a year, about twice the typical price of the car.

Do you really need a car? Given the real costs of owning or leasing a car, you may be better off cycling, taking public transit, taking taxis or ride shares, joining a car sharing organization (car-pooling or car co-op) or renting a car when you need it.

Car sharing may be an option if you drive less than 10,000 kilometres per year.

- Services may charge membership, monthly, hourly and mileage costs.
- Fees and rules vary — Compare different services.
- If you don't own a car, consider public transit, taxis, ride shares or cycling.
- Car sharing or ride share services like Uber or Lyft might work better for trips that are too long to cycle or when you are transporting a bigger load (e.g. large grocery run).

Be wary of long-term car loans

The term of your car loan can have a big impact on your regular payments and on the total cost of the car. The longer the term of the loan, the lower your regular payments. However, you will end up paying more in interest with a longer-loan term (six or more years). And when it's time to sell the car, its resale value may not be enough to cover what you have left on the loan (negative equity).

MORE INFORMATION



- Check out FCAC's tips on Financing a car:
 - [Canada.ca/money](https://www.canada.ca/money), click on [Debt and borrowing](#), then click on [Loans and lines of credit](#), and [Financing a car](#)
- Try the Vehicle Lease or Buy Calculator:
 - [Canada.ca/financial-tools](https://www.canada.ca/financial-tools), click on [Vehicle Lease or Buy Calculator](#)

Renting or owning your home

People think it's better to own your home so you have equity in it and forced savings, but that's not necessarily the best option for everyone.

When calculating the costs of home ownership, you have to include:

- Mortgage payments (including interest rate, fees and potential penalties)
- The costs of repairs and maintenance, property insurance and taxes

Can you afford it?

- Try it out:
 - Put the monthly costs of owning a home (mortgage, property taxes, maintenance, etc.) into a savings account.
 - Can you afford to live on what's left?
 - Could you afford higher housing costs if interest rates rise?
- Try Industry Canada's Rent or Buy a Home Calculator
 - Go to Consumeraffairs.ca, click [For Consumers](#), then [Spending Smarter Tools](#), then [Rent or Buy a Home](#).

Owning a home doesn't make sense if:

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

Do you need insurance?

The decision to get insurance depends on your circumstances and your stage in life. Insurance can protect you and your loved ones from financial loss or hardship. A wide range of insurance products cover different types of risks, such as:

- Damage or injury caused in a driving accident
- Damage to your home or furnishings
- Medical costs that are not covered under a public health plan, such as while travelling

Insurance can also provide payments to you or your beneficiary if you become unable to work or if you die unexpectedly.

Before agreeing to any insurance, compare the costs with the need. Be sure to get only the amount and type of insurance you need. If you don't think you need insurance, you can save yourself the cost – just make sure you understand the risks of not having it.

Insurance can be a valuable way to prepare for financial losses and offers peace of mind, but you pay for the security it provides.

Understand your insurance agreement

An insurance policy is a binding contract with the insurer. It lists all the details of your agreement, including:

- Which risks are covered by your insurance company
- Under what circumstances you will receive a payment
- How much money, or what type of benefit, you can get

When you buy insurance, the key is to know what the costs are, what the policy covers and whether you really need the coverage. Get independent advice if you can.

Insurance costs vary from one insurer to another. Be sure to get a quote for comparable coverage from a variety of different sellers. Like other services, you might be able to save money by bundling your insurance products with one provider.

MORE INFORMATION



For more information about insurance, go to Canada.ca/money, click [Managing your money](#), and click [Insurance](#).

Put it all together

- Small, easy changes in your spending can make the difference between balancing your budget and running short.
- Small changes can add up to savings that will help you reach your financial goals.

Category	Behaviour Change	Daily saving	Weekly saving	Monthly saving	Annual saving
Food	Take lunch 3 x week	\$5 ((\$8 fast food lunch — \$3 cost))	\$15	\$60	\$720
Transportation	Take transit, not car, once a week	\$18 ((\$22 parking + \$3 gas — \$7 transit fare))	\$18	\$72	\$864
Cell phone plan	Pay as you go vs. monthly	N/A	N/A	\$30 ((\$55 to \$25 a month))	\$360

Making these three changes, as an example, can save you \$162 a month. This adds up to more than \$1,900 a year! (The costs are based on sample figures and may be different where you live, but the principle is the same.)

NEEDS AND WANTS



BIG IDEA: Knowing the difference between needs and wants can help you control your spending. Everyone's needs and wants can be different, and they can change over time.

What's the difference between a need and a want?

A need is something essential. A want is something nice to have. It may be important to you, but it's not essential. Your needs and wants may change over time. For example, a car may be a want at one stage but may become a need if you require it to get to and from work, or to do your job.

Get into the habit of asking yourself if something is a need or a want. It's important to learn to set spending priorities and budget so you will have money for the things you really need, as well as the things you want.

What is your latte factor?

Your "latte factor" is the small extravagance that you could avoid in order to put some money aside. Changing these small expenses could change your financial future.

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

- Designer coffees
- Lunches in restaurants
- Impulse buys
- The latest, greatest (fill in the blank)

Be aware of why you spend

Questions to ask yourself:

- When does a want become a need?
- What motivates me to buy—advertising, friends, trendy styles, rough day?
- Does the urge to buy go away the next day?
- Do my purchases make me happier?
- What "needs" are now collecting dust?
- What can I learn to live without?

Reduce impulse buying

- Avoid unnecessary trips to stores and shopping malls and online buying sites.
- Pay cash or use debit for purchases and only carry the cash you are willing to spend.
- Reduce available credit on your credit card and line of credit. (Federal regulations say that credit card companies have to ask your permission to raise your credit limit.)
- Leave credit cards at home.
- Sleep on it and see if you still want it the next day.

TIPS



Take the 30-day test before making a big purchase.

- Write down things you'd like to buy, wait 30 days and then recheck the list.

Do you still want it?

Cutting back on expenses

- Choose areas where you could cut back in your own life.
- Calculate how much you would save per week and per month.
- What difference would that money make in the budget you created? Would it help you meet your financial goals?

	Average Cost	# Times Per Week to Reduce	Weekly savings
Bring lunch instead of eating out			
Make dinner instead of ordering for delivery			
Have friends over (potluck!) instead of going out			
Have a video night in instead of going out to a movie			
Take transit or bike instead of driving			
Buy a refillable water bottle instead of buying bottled water			
Car pool with a colleague instead of driving alone			
Buy none or fewer each week: cigarettes, candy bars, soft drinks, coffees, after-work snacks			
Stop buying or buy fewer lottery tickets			
Skip the popcorn at the movies			
Borrow magazines from the library instead of buying them			
Subscribe to a music or games service instead of buying			
Make payments on time and skip fines and late fees			
Other			
Other			
Total			
Possible savings per month			

MORE INFORMATION



You can find additional resources on needs and wants in the Canadian Financial Literacy Database.

Go to Canada.ca/financial-tools then click on Canadian Financial Literacy Database, select the topic Budgeting and money management.

CREDIT AND DEBT MANAGEMENT



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

Credit isn't a bad thing; it's a tool to help you pay for big-ticket items and meet your financial goals. It becomes a problem only when you can't comfortably repay the debt.

TIP



When you use financial products and services, your rights are protected. To learn more, visit Canada.ca/money, then click [Managing Your Money and Financial Rights and Responsibilities](#).

Credit cards

Credit cards are a form of loan: you make a purchase and the credit card issuer pays the seller for you. You then repay the issuer as required by the credit card agreement. With a “cash advance,” the credit card issuer lends you cash directly.

You must repay the loan on the terms agreed, including any minimum amounts and due dates.

- If you don't pay in full by the due date shown on your credit card statement, you will be charged interest on the full amount of the purchases, from the transaction date until the day you make the payment.
- Whether your credit card bill payments are late by a couple of days or several weeks, it will damage your credit history and could affect your credit report.
- There is no interest-free period (or “grace period”) with a cash advance. You must pay interest from the day you get the cash advance until the day you pay it off in full.

DEFINITION



- **Credit card issuer** – a company that provides credit cards to customers
 - When you buy something with a credit card, the issuer pays the seller, and then bills you for the payment.
 - When you get a cash advance, the issuer lends you money, and then bills you for repayment.
- **Seller** – a business that sells you something; a merchant

Picking the right credit card for you

Choose a card that suits your needs and how you will use the card.

- A wide range of credit cards are available, all with different features, rewards and fees.
- You need to choose carefully to get the credit card that best suits your needs and plan to use the card.
 - For example, a student credit card may not be the best option for all students. If you travel or tend to carry a balance, a low-interest card or a card with more features may be a better choice.
- The interest rate isn't the only criteria; find out what kind of fees you will pay to use your card.

You may be charged an annual fee or service fees for:

- Cash advances inside and outside Canada
- Going over your credit limit
- Converting purchases in foreign currencies into Canadian dollars
- Having an inactive credit balance
- Purchasing lottery tickets, gambling at a casino and placing bets – these can be treated as a cash advance instead of as a credit card purchase
- Reprinting statements or making copies of sales slips
- Other optional services
- Rewards points

MORE INFORMATION



Use FCAC's Credit Card Comparison Tool to find the cards with the features you want.

- Go to Canada.ca/financial-tools, then click [Credit Card Comparison Tool](#).

How to keep control of your credit card

- Remember that when you pay for something with a credit card, you are taking out a loan and you have to pay it back. The longer it takes you to pay it back, the more interest you must pay.
- Pay the balance in full each month.
- If you can't pay it in full, pay as much as you can.
- Don't make only the minimum payment required on your statement. This adds more interest than any other option.
- If you always carry a balance, get a low interest card.
- Transfer the balance to a line of credit with a lower rate. Look into using a low-interest line of credit to pay credit card debts. If the rate is lower, you'll pay it off faster and pay less interest.
- Pay a few days before the due date.

Student loans

The federal, provincial and territorial governments operate a variety of student loan and grant programs to give financial assistance to people enrolled in post-secondary education. The purpose of the loans is to **supplement** (not to replace) the financial resources that a student (and their family, where applicable) are expected to contribute.

DEFINITION



- **Loans** provide financial assistance for students that you must usually pay back, with interest in most cases.
- **Grants** provide financial assistance for students, but unlike loans, you usually don't have to pay back a grant.

Features of the Canada Student Loans Program

The Canada Student Loans Program (CSLP) provides assistance for students in financial need. Provincial and territorial programs are also valuable, but their features may differ from the CSLP.

- Federal loans are interest-free while you are enrolled in post-secondary education (which means interest starts as soon as you graduate/leave school).
- Federal loans become payable six months after you leave your studies.
- You apply through your provincial or territorial student assistance office.
- For more information, visit Canada.ca/education-funding

Qualifications for a Canada Student Loan

You must:

- Be a Canadian citizen or permanent resident
- Register in a degree, diploma or certificate program offered by a designated post-secondary school that runs for at least 12 weeks within a 15-week period
- Be a full-time student with at least 60% of a full course load
 - Or part-time student enrolled in 20% to 59% of a full course load
 - Or reduced load for students with permanent disabilities
- Show financial need
- Pass a credit check
- Maintain a certain grade average
- Reapply every year

Applying for a student loan

When you apply and qualify for student financial assistance, you are automatically assessed for [Canada Student Loans](#) and [Canada Student Grants](#). Government student loans are based on this assessment of your financial need.

To apply, follow these steps:

- Get a Canada Student Grant and Loan application form from your provincial or territorial student financial assistance website or office. (This is based on your province or territory of residence, not where you plan to go to school.)
- Complete the form and submit it online or by post.
- Wait for the Notice of Assessment, which tells you if you qualify for a loan or grant. You may receive it by mail or online in your secure provincial or territorial portal.
- Complete a Master Student Financial Assistance Agreement (MSFAA) and enter your banking information. (If you already have a MSFAA, you may need to update it and/or your banking information.)
- Wait for your school to confirm that you are enrolled. This step happens automatically when you accept the MSFAA.
- Wait for an email notification confirming that the funds have been paid to your account. They will be deposited directly to your bank account or forwarded to your school to pay your fees.

These steps will be slightly different if you are a part-time student.

TIP

Alternatives to Canada Students Loans



Your financial institution may offer you a student line of credit or other loan to finance your education. These loans have different terms from Canada Student Loans, and may be more costly. Make sure you understand the terms of the loan before you sign on.

Living with your student loan

As with all loans, the less you borrow the better. With a smaller loan, you'll repay it faster and have more money left for your other financial goals.

- Use a budget to plan your expenses. Make sure you can limit your expenses to the loan you receive together with any other income.
- A Canada Student Loan is paid in two installments, usually 60% at the beginning of the fall term and 40% at the beginning of the winter term. Try to plan expenses so that the payment lasts until the next installment.
- Use only the amount you need. If you don't need to use the whole amount, you can return it and reduce your interest costs.
- If you have income from other sources, make payments on your loan. Early payments reduce your interest costs.

Repaying a Canada Student Loan

- Repayment begins after you graduate or leave school.
- No payments are required for the first six months (but interest starts as soon as you leave school).
- Contact the lender to arrange a payment plan.
 - You can choose a fixed or variable interest rate.
 - You and the lender will agree on the amount of a monthly payment. The amount determines the length of time you'll need to repay the loan.
- Students with a limited income may be eligible for assistance in repaying a student loan. Contact your student loan service centre to get information about the [Repayment Assistance Plan](#).

MORE INFORMATION



The Student Loan Repayment Estimator online tool helps you compare options. Visit Canada.ca/education-funding.

Canada Student Loan Tips

- Borrow only what you need.
- Make lump-sum payments while attending school.
- Consider getting a summer job or a co-op placement to off-set the amount you have to borrow.
- Set up automatic monthly payments so you don't miss any payments and you won't be charged late fees.
- Make extra payments or larger payments whenever you have money available.

If you have trouble with payments, contact your loan officer as early as possible. You may be able to adjust the repayment plan to reduce or defer payments.

Other types of loans

In addition to student loans and credit card debt, at various points in your life you may use other types of loans, such as:

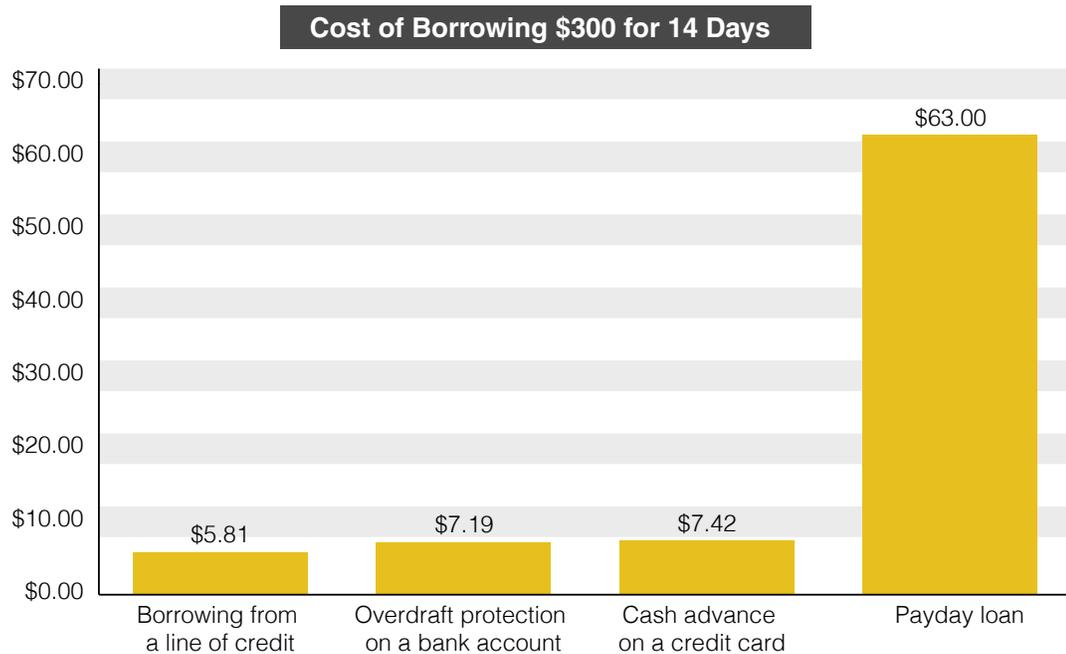
- Mortgages
- Car loans
- Lines of credit
- Overdraft protection
- Payday loans
- Personal loans

Each type can be useful when needed, but they all have different costs and conditions. Be sure you understand the conditions for each, and how you will repay it, before agreeing to a loan.

Payday loans

A payday loan is a short-term loan with high fees that make it a very expensive way to borrow money. Before taking out a payday loan, be very sure that you can pay it back within the contracted time. Consider the terms and costs carefully.

- A payday loan can be much more expensive than most loans offered by financial institutions.
 - The interest is often the maximum allowed by law.
 - Other fees will add up to much more than the interest.



Note: The costs shown in this example are for illustration purposes only

- In the example shown in the chart, borrowing \$300 for two weeks from a line of credit costs only \$5.81, and overdraft protection or a cash advance on a credit card are only a little more. A payday loan costs more than ten times as much as a line of credit.
- If possible, use other cheaper options, such as a bank line of credit or overdraft protection, or take a cash advance on a credit card. Payday loans should be a last resort.
- Compare different payday lenders. Interest and fees vary among different lenders.

Tips for managing loans

Whatever type of debt you have, you can manage it better by following these tips:

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

Credit reports and credit score

Lenders and other financial institutions are interested in your credit history. They want to know how you have handled credit in the past to determine how well you are likely to handle it in the future.

Your credit history matters because it can affect your finances. Businesses use your credit report to help them make decisions about you, such as:

- Lending you money, setting the interest rate or your credit limit
- Renting housing to you
- Considering you for a job
- Selling you insurance

A good credit history can save you money, and give you financial options you might not have with a poor credit history.

Credit report

A credit report is a summary of your credit history and other financial information.

- Past lenders and others send information to companies that collect, assess and share data including any bankruptcies or consumer proposals.
- Canada has two credit reporting agencies:
 - **Equifax Canada** at www.equifax.com
 - **TransUnion Canada** at www.transunion.ca
- You can review your credit report and correct any mistakes. It's the only way to know if your report is accurate, and it's a good way to check for identity theft.
- You can ask the credit reporting agency to correct any errors or to place a note on the file stating your concerns.

Credit score

A credit score is a number that gives a rating of your credit worthiness at a specific point in time.

- The credit score indicates the risk you represent for lenders, compared with other consumers.
 - The scoring system gives a number between 300 and 900.
 - The higher your score, the lower the risk.
- Lenders use your credit score to decide whether to lend you money and to set the interest rate that they will charge you.
- Credit reporting agencies often charge a fee to give you your credit score.

You may have a low credit score if you've never applied for credit, or you've had problems with credit in the past. But you can improve your credit score.

- Always make your payments on time.
- Use credit wisely.
 - Don't go over your credit limit.
 - Only use part of the credit you have available.
- Build a longer credit history.
 - Keep older accounts open if there is no fee.
 - Use them from time to time.
- Don't make a lot of credit applications or credit checks, particularly in a short period of time.

MORE INFORMATION



FCAC's Credit Report and Score Basics page explains what your credit report and credit score are, why they're important, how to get them for free, and how to fix mistakes.

- Go to Canada.ca/money, click on [Debt and borrowing](#), then click on [Credit report and score basics](#).

Managing debt

Recognize the danger signals

Your use of credit may be out of control if:

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

Take control of your debt

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

DEFINITION



- **Consolidation loan** – a way to manage debt by taking out a new loan and using it to pay back other debts
- **Bankruptcy** – a legal process that allows someone who cannot pay their debts to sign over some of their assets to repay their creditors
- **Licensed Insolvency Trustee** – a federally regulated professional who provides advice and services to people and businesses with debt problems

Consolidation loans

A consolidation loan means combining all your existing debts into one loan so you have just one payment to make. For the consolidation loan to save you money, it must have a lower interest rate and a lower monthly payment than all the other loans put together. It is also important to stop using any credit cards or loan products that you consolidated into the new loan. It will take far more time to pay off your debts if you continue adding to them.

Debt management options

- Credit counseling
 - Counsellors create a personal debt management program
- Consumer proposal
 - A voluntary offer to lenders through a Licensed Insolvency Trustee
- Bankruptcy
 - A trustee takes over your assets to cancel your debts

MORE INFORMATION



FCAC's page on managing debt reviews your options and your rights.

- Go to Canada.ca/money, click on [Debt and borrowing](#), then click [Managing debt](#).

The Office of the Superintendent of Bankruptcy provides detailed information on filing for bankruptcy.

- Go to Canada.ca/money, click on [Debt and borrowing](#), then click [Filing for bankruptcy](#).

SAVING AND INVESTING



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

Why save for the future?

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

Make your savings goals specific

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

Examples:

- A vague goal: “Get rid of debt and save some money for a rainy day.”
- An achievable goal: “Eliminate credit card debt of \$1,600 and build an emergency fund of \$2,000 by saving at least \$3,600 by [date].”
- A smaller goal: “Save \$200 a month, or \$100 every two weeks.” Most people find it easier to think about a goal that is broken down into small pieces rather than one big outcome, like saving \$2,600 in a year.

MORE INFORMATION



To help you create a plan to reach your savings goals, try the FCAC Financial Goal Calculator.

- Go to Canada.ca/financial-tools, then click [Financial Goal Calculator](#).

Four steps to savings

Set up an emergency fund

- Save three to six months' worth of take-home pay.
- You can rely on this fund if you lose your job, get sick or have unexpected expenses.
- Keep the money in a separate savings account with low or no fees.
- Don't rely on credit cards, bank loans or personal lines of credit for an emergency. You can easily find yourself owing a large amount if you have to use high-interest loans. And don't spend your emergency fund on non-emergency expenses.
- Start now! It can take months or years to build up an emergency fund.

Pay yourself first

- Set aside your savings before you spend on other things.
- Treat savings like any other recurring bill that you must pay each month.
- Put away a set amount of money every paycheque without thinking about it.
- Save 5% to 10% of your take-home pay.

Make your savings automatic

- Set up direct debits from your bank account or paycheque.
 - Set up an automatic transfer from your chequing account to your savings account.
 - Find an account that automatically rounds off each transaction and adds the difference to your savings account.
 - Put your spare change into a savings jar every day.
- Extra money (from gifts, tax refunds, etc.) or a raise or bonus? Save it!

Hands off your savings

- Leave the money to grow!
- Stick to your plan.
- Grow your savings by investing them in a way that supports your financial goals.
- Look for compound interest vs. simple interest.

MORE INFORMATION



FCAC's Account Comparison Tool helps you compare features and find the savings account that best suits your needs.

- Go to Canada.ca/financial-tools, and click on [Bank Account Comparison Tool](#).

Investing

Invest to make your savings grow

- Saving is setting aside money that you are not spending so that you can use it later.
- Investing is doing something with your money to make it grow.

Compound interest

- Compound interest is the easiest way to invest – it's the standard way that most savings accounts are set up.

DEFINITION



- **Compound interest** – interest you receive on an amount you deposit, plus interest on any interest you have already received on the deposit. It's interest on interest.



Case study: Amy and Amanda

Actions	Amy	Amanda
Starts saving at age:	20	30
Puts \$1,000 a year into her RRSP to age:	34	64
Total she saves:	\$15,000	\$35,000
Total earned at age 65:	\$141,700	\$116,100

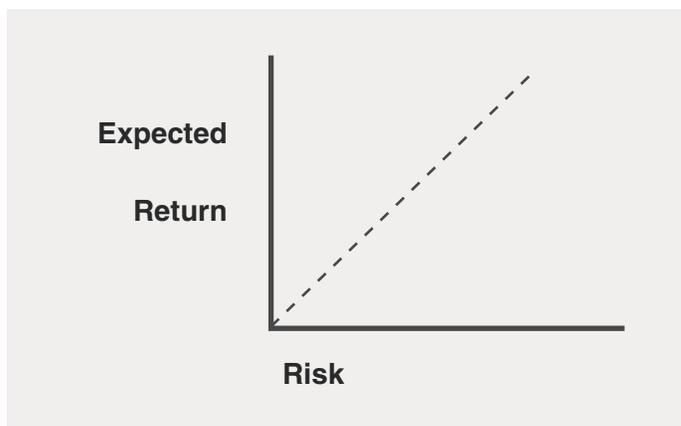
Conclusion:

- Amy ended up with more even though she stopped saving at 34, because compound interest increased her savings from then on.
- Compound interest makes a big difference over time.
- Start saving as soon as you can (the sooner the better).
- Save as long as you can (for a long period of time).

Investment risk and return

There are many different investment vehicles.

- When you think about investments, you have to understand their risks and returns.
- Each investment has its own type of payback, called the return.
- Each investment has its own types of risk – for some investments, there is a risk that you could lose your money entirely, or make less than you expected.



- The return on an investment is related to the risk:
 - If the expected return is high, the risk will also be high.
 - If you want a low risk, then the return you expect must also be low.
 - **You cannot get a high return with low risk.**
 - **If anyone promises a high return with a low risk, the promise is almost certainly a scam.**
- This principle is true for all types of investment. Keep it in mind when you think about what to do with your savings.

TIP



Remember, if it sounds too good to be true, it probably is. There are no investing shortcuts.

Tax-sheltered savings plans

Canada has several savings plans that are registered with the Canada Revenue Agency (CRA). Money you save in these plans may be exempted from income taxes or taxed at a lower rate, depending on the type of plan and your financial situation.

Tax-Free Savings Accounts (TFSAs)

- Earn income from investments without paying taxes on the income, even when it is withdrawn.
- Invest in cash, mutual funds, stocks, GICs, bonds.

- Contributions to a TFSA are not deductible for income tax purposes. You are investing post-tax dollars.
- Contribute up to the annual TFSA dollar limit.
 - Starting in 2009, TFSA contribution room accumulates every year; any unused TFSA contribution room from the previous year will carry over.
 - To find your TFSA limit, visit your account page at the [CRA website](https://www.Canada.ca/en/services/taxes.html) (https://www.Canada.ca/en/services/taxes.html).
- You must be 18 or older and have a social insurance number.

DEFINITION



Post-tax dollars – An **after-tax or post-tax** contribution is the contribution made to any designated retirement or investment account **after taxes** have been deducted from an individual's taxable income.

Registered Retirement Savings Plans (RRSPs)

- Invest in cash, mutual funds, stocks, GICs, bonds.
- Contributions and earnings are generally free from income tax until withdrawn.
- You may pay a lower tax rate when you withdraw funds, depending on your income.
- Yearly contribution limit is calculated by Canada Revenue Agency up to a maximum amount (about \$26,000).
- To find your RRSP limit, visit your account page on the CRA website.
- You can withdraw certain amounts tax-free for certain purposes, such as a house down payment or an education plan, but you have to return it within a certain time period or pay penalties.

Registered Education Savings Plans (RESPs)

- You put money into an RESP.
- Government of Canada pays up to \$600 per year into the plan (if eligible).
- Quebec, Saskatchewan and B.C. also offer incentives to save for education.
- The plan pays the contributions, grants and earned income to a student.
- The student pays taxes due (if any) on grants and income earned in the plan when making a withdrawal.

Registered Disability Savings Plans (RDSPs)

- You put money into an RDSP for an eligible person with a disability.
- Government of Canada pays matching amounts into the plan (if eligible).
- The plan pays the contributions, grants and earned income to a person with a long-term disability.
- The recipient pays taxes due (if any) on grants and income earned in the plan when making a withdrawal.

These plans are not only useful for savings – they can help you minimize taxes on income earned from the plans. In addition, when you put money in an RESP or an RDSP, the Government of Canada also contributes a certain amount.

These plans are not investments themselves. Think of them as filing cabinets. They're secure receptacles where you store different kinds of investments. They help you minimize the taxes you pay. You pay tax on the earnings only when you pull an investment out of a drawer (except for TFSAs).

The rules on putting money into these plans and taking it out can be complicated, so you may want to check with your financial institution before making contributions and withdrawals. Get expert advice on the best plan for you and how to manage the funds you save there.

MORE INFORMATION



Canada Revenue Agency's web pages provide details on registered savings plans. For information:

- Go to Canada.ca/money, click [Savings and Investments](#), and click on [Savings and pension plans](#).

Getting financial advice

- For simple investments like savings accounts and GICs, you can talk to a bank, credit union, trust company or caisse populaire that offers banking services.
 - Compare the rates at different institutions.
 - Check out any limits on the investment, such as when you can take cash out of your investment, and make sure the investment matches your needs.
- For more complex investments, check with a licensed financial advisor.
 - A licensed advisor at the financial institution where you do your daily banking may meet your needs. However, it's best to talk to advisors from different companies to find out what services they offer, what they charge and how comfortable you feel working with them.
- Choose an advisor with care. You need to understand what an advisor can do for you. A reliable advisor should be willing to answer questions like these:
 - What is your background, experience and track record?
 - Is your firm registered with a securities commission or other formal body?
 - What can you do for me? Provide advice only, sell products, help me build a financial plan?
 - What products do you sell?
 - How do you get paid?
 - How do you work with your clients?
 - Can you provide references?

The three “knows”

When it comes to investing, there are three main things you need to know:

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

Knowing these things will help you make good investments and avoid risks you are not willing to take.

You should get professional advice, but you also have to do your own homework.

Refer to the Investor’s Checklist on the following pages.

Investor’s Checklist

✓	Here are some questions to ask and things to look out for when you’re ready to invest. Check them if you have the answers.
Know yourself	
	What are your investment goals?
	What’s your risk tolerance?
	How much do you plan to invest, now and in the future?
	Are you looking for regular income or long-term growth?
	When will you need access to your money?
	How much can you rely on your own knowledge without expert advice?
Know your investment	
	What type of investment is it?
	How does it earn money?
	What are the investment’s expected return, risk and liquidity?
	What does it cost to buy and sell?
	Have you read and understood the fund prospectus?
	Does it fit with your investment goals and the other investments in your portfolio?
	What public information is available now and what information will be provided to you in the future?
	Is the business plan logical and consistent with outside facts?
	Is the financial performance acceptable?
	Is the management knowledgeable and reputable?

Know your advisor

What qualifications and experience does the advisor have?
What kinds of clients and investments does the advisor specialize in?
What services does the advisor's firm provide?
What fees and commissions does the firm charge?
Are the advisor and the firm registered with the provincial securities regulator to trade the types of investments you're interested in?
Are they members of an industry association?
Do they have a good reputation and references?
Have they been disciplined by the provincial or territorial securities regulator or an industry association?

Warning Flags

These warning flags can alert you to risks of fraud or other investment problems. Check any warning flags you see—and stay away!

Promises of high returns with low risk
Claims that are too good to be true
Promises about future profits or share prices
Failure to answer your questions completely
High-pressure sales tactics
Secretive behaviour or requests for silence
Reluctance to provide any written information
Requests that you sign documents that aren't filled in
Requests that you sign documents before reading them
Back-dated or falsified forms
No documentation at all
Purchases made without your specific instructions
Suggestions to invest in any kind of illegal business

Companies and mutual funds that offer investments to the public in Canada or the United States must publish detailed information about their financial and business affairs. All of this is available at www.sedar.com for Canadian investments and www.sec.gov for American investments.

Many other media and commercial information services also provide information about investments.

MORE INFORMATION



Questions about investing?

- For more information about saving and investing,
 - Go to Canada.ca/money and click [Savings and investments](#).
- You can find additional resources on needs and wants in the Canadian Financial Literacy Database.
 - Go to Canada.ca/financial-tools, click on Canadian Financial Literacy Database.
- For information about investing and avoiding fraud, see the Ontario Securities Commission website at
 - Go to GetSmarterAboutMoney.ca.

Questions about or problems with an investment or a financial advisor?

Contact:

- Your provincial or territorial securities regulator at www.securities-administrators.ca
- Investment Industry Regulatory Organization of Canada (IIROC) at www.iiroc.ca
- The Mutual Fund Dealers Association of Canada at www.mfda.ca

SETTING FINANCIAL GOALS



BIG IDEA: Setting goals can help you define your goals, track your progress and achieve your objectives.

Financial goals

A financial goal is a target or objective for what you want to do with your money. Some examples might be reducing debt, setting aside money for a trip or saving enough money to retire.

Some people feel that financial goals are only for people with a lot of spare cash. But financial goals help people at all stages of their lives. When you define your financial goals, you take a step toward achieving them.

Benefits of financial goals

- Stating a clear goal gives you motivation and confidence.
- Like a lighthouse, it helps you stay focused on your objective and on the path to reach your goal.
- A clear goal lets you assess options and alternatives to decide which is the best way to reach your objectives.
- A clear goal lets you track your progress and make corrections.
- Stating your goals lets you share them with professional advisors and others in your life.

Prioritize

No one can do everything that they would like to. Do you want to buy a home within the next five years? Or buy a car at the end of this year? Do you want to pay off student debt? Or set aside money for your children's education?

You have to decide what goals are most important and make them your financial priorities. Perhaps you will allocate some money to each important goal. Or you may decide to focus on one goal and defer others until later.

TIP



Write it down. Research shows that writing your goals down makes them seem real. So you are more likely to work toward them and achieve them.

S.M.A.R.T. goals

How do you set financial goals? If you simply make a wish list in your head, they may not make it past the dreaming stage. Make sure your goals are S.M.A.R.T goals:

- **S**pecific: Well defined and focused
- **M**easurable: What can I track to measure achievement?
- **A**chievable: Big or small, but within your abilities
- **R**ealistic: Considering current and expected conditions
- **T**imely: Set a time for achievement

Example of a vague goal:

- I want to get out of debt and save some money.

Example of a **S.M.A.R.T.** goal:

- I want to pay off my credit card bills of \$3,200 and save \$3,000 so that I can take a trip to visit my family in 12 months.

When you break goals down into small steps, they become even **S.M.A.R.T.**er:

- I will cut buying my lunch to once per week, to save \$20 per week, or \$1,040 per year.
- I will cut restaurant meals to two per month to save \$100 per month, or \$1,200 per year.
- I will switch to basic cable to save \$50 per month, or \$600 per year.
- I will work extra shifts a few days a month to earn \$300 per month, or \$3,600 per year.
- Together these total \$6,440 in 12 months, just over my goal of \$6,200!

Check your progress

Once you've set your goals, check in regularly so that you stay on track. It's important to make sure you're meeting key points toward your goal so that you can adjust your steps and correct for changing circumstances.

Knowing exactly what you need to save gives you more confidence that you can achieve your goals. The FCAC Financial Goal Calculator can help you create a plan to achieve different financial goals, including how much you need to save each month and how long it will take based on a pre-set monthly amount.



MORE INFORMATION

Go to Canada.ca/financial-tools then click [Financial Goal Calculator](#).

S.M.A.R.T. financial goals worksheet

Write your goal in a few words (the big idea):

My goal is: _____

Make your goal **Specific**. (Who? What? Where? How? When?)

The cost of my goal is: _____

I can save/earn this amount by:

Make your goal **Measurable**. (How will you measure and track progress? E.g., amount of money in a savings account by a certain time)

I will measure my goal by keeping track of: _____

Make your goal **Achievable**. (Whether it's big or small, choose a goal that you can achieve in a certain period of time.)

Three (or more) action steps I can take to achieve my goal are:

1. _____
2. _____
3. _____

Make your goal **Realistic**. (Are there current or expected conditions that make this goal unrealistic? What can I adjust to make my goal realistic?)

I can adjust my goals to overcome any blocks by: _____

Make your goal **Timely**. (Set a deadline. Set some milestones.)

I will save/earn my goal by (date): _____

By these dates I will have saved/earned:

Date: _____ Saved/Earned: \$ _____

Date: _____ Saved/Earned: \$ _____

Date: _____ Saved/Earned: \$ _____

Restate your goal as a S.M.A.R.T. goal. Try to make it short and easy to follow, but keep all the important elements.

My goal is to: _____

Make this goal real: write a reminder in your calendar six months from today: Check on the goals you set.

- Did you achieve the goal, or the savings you had set for this time?
- If not, what steps would help you get back on track?
- Did the S.M.A.R.T. goals help you understand your goal and track your progress?

MORE INFORMATION



For a detailed guide to creating a financial plan that works for you, review the resources in Your Financial Toolkit.

- Go to Canada.ca/money, click on [Financial literacy programs](#), then click on [Your Financial Toolkit](#), then click on [Module 11: Financial planning](#).

For financial planning advice that is tailored to your needs, and that can balance a wide range of considerations, talk to a qualified financial planner. The handbook tells you how to find financial planning advice.

- Go to Canada.ca/money, click on [Savings and investments](#), then click [Choosing a financial advisor](#).

You can find additional resources on needs and wants in the Canadian Financial Literacy Database.

- Go to Canada.ca/financial-tools, click on [Canadian Financial Literacy Database](#).

PROTECT YOURSELF



BIG IDEA: Be alert.

Take steps to protect your identity and your finances.

A world of scams

Many common frauds use communication services to take advantage of you:

- Transfer of funds scam
 - Asks for your help to transfer a large amount of money from a foreign country
- Lottery scam
 - Offers to pay you a large lottery win even though you have not bought a ticket
- Items for sale over-payment scam
 - Offers to repay you for an overpayment on a purchase you did not make

Scams like this try to get you to send money in order to qualify for a larger amount. They also steal your name, address and banking information. Don't fall for them!

Facts on financial frauds in Canada:

Total credit card fraud in Canada:

- \$366 million in 2010
- \$940 million in 2016

[Source: American Express Canada, MasterCard Canada, Visa Canada.]

Identity theft

Identity theft is when someone uses your identity without your permission to get access to your personal finances and other resources.

Phishing, a common technique used to commit identity theft, is when fraudsters send you emails, phone or text messages claiming to be a financial institution or other legitimate business that asks you to enter your bank or other account data.

You have probably already seen common email, phone or text scams like this one:

Sample CRA Scam

INTERAC e-Transfer Reminder: You received money from CRA
interac@payments.interac.ca
Mon 2019-07-17 9:44 AM
To John.Smith@email.com

Dear Client

You received \$458.00 (CAD) from Canada Revenue Agency.

Click [Accept](#) to deposit your money
Respond immediately. This message expires in 24 hours,

FAQs | This is a secure Transaction

Common signs that an email is a scam:

- Phishing emails may have your address, but often use a generic greeting like Dear Client.
- Government and financial institutions never send money by email or e-transfer. They use mail or email to advise you that a cheque or direct deposit has been made or that there is a problem with your account.
- The links do not match the visible identification. If you move your mouse over the link in the email, a small box appears with the URL (web address). If the web address in the box is different from what you see in the email, the link may lead to a fake site.

The screenshot shows a yellow interface with two main sections: 'Employee Management' and 'Dashboard'. The 'Employee Management' section has a person icon and text: 'Track your employees' availability, time-sheets and set employee or departmental level security.' The 'Dashboard' section has a grid icon and text: 'View your daily, weekly and monthly goals and view your progress against goals with easy to read graphs and charts.' On the right, there is a dark button labeled 'Download Now' with a download icon. A white mouse cursor is hovering over the button, which has triggered a tooltip. The tooltip contains the text: 'Download our free pocket ABC Financial's DataTrak Software solution for more info.' Below the tooltip, a browser address bar shows the URL: 'https://info.abcfinancial.com/datatrak-pocket-guide'. A red line connects the tooltip to the address bar, highlighting the discrepancy between the button's text and the actual URL.

- Often you can spot grammatical errors or things that don't make sense.
- Some emails will refer to a “problem” with your account and urge you to access a link to verify your information. Government and financial Institutions will never notify you of a problem through an unsolicited email – they will advise you to go to your account to get the information you need.
- There is often a sense of urgency in the email encouraging you to respond immediately.

If you receive an email or message like this:

- Do not respond. Do not click any links.
- If you are not sure about the message, check your account online or phone the institution directly without using any of the links in the message.
- You may wish to contact the security department for the institution or the [Canadian Anti-Fraud Centre](#) to report the scam.

Bogus job ads

Common fake job ads include:

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

Some signs of bogus job ads:

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

Social media scams

You might see scams like these in your social media feed:

- Fake polls, fake links, fake apps
 - May download malware or spam your friends
- Fake messages and phishing
 - Ask you to log into a fake site and steal your ID
- Fake friend request
 - Gather data to send spam or scams
- Fake money transfer or crowd funding (like GoFundMe) request
 - May ask you to help a friend by sending money

Scammers love social media because social programs encourage you to trust your contacts and share personal information.

- Use the security and privacy settings in your social media to control who sees what.
- Keep personal information to a minimum:
 - Don't include phone numbers, email address, home address, work details, your child's school or any other personal information on your profile page.
 - Don't mention big purchases, banking information, when you will be away from home, geo-tags or addresses. They could tip off criminals to target you.
 - Don't post pictures that give away personal data, such as your address or drivers licence or credit card number.
- Set up a separate email address for social networks.
- Keep your username and password private.
- Never share your PIN.

How to protect yourself

Check the items that you do consistently.

✓	Safety tips
	Share your personal information only with companies you know and trust.
	Burn or shred any mail or financial papers containing your personal information. Never recycle them.
	Keep your wallet or purse out of reach in public places, crowds and while on public transportation.
	Don't carry ID you don't need with you. (E.g. your birth certificate)
	Lock your household mailbox if possible. If you are going to be away, ask a trusted neighbour to pick up your mail or arrange for Canada Post's hold mail service.
	Limit the number of credit cards you hold, and inspect your financial statements each month.
	Keep your credit card limit down so thieves can't exceed that limit if they steal your card.
	Keep a separate credit card with a low credit limit for online purchases.
	Check your credit report at least once a year.
	Make sure any website you are using is secure before transmitting personal information. Look for "https" (the "s" at the end indicates that it is a Secure connection) in the Web address and or a lock icon.
	
	Delete any email that asks for personal information.
	Ensure that your computer firewalls and spyware are up to date to protect stored personal information.
	Hang up on telemarketers who seem to be fishing for personal information, like your birthday.
	Destroy old documents that contain identity information, like driver's licences.
	Save paper bank records for at least a year so you can prove your account balance in the event of an ID fraud incident.
	Be skeptical—if an offer sounds too good to be true, it probably is!

List steps you could take to protect yourself better:

MORE INFORMATION



If you've been the victim of identity theft

What to do:

- Contact your financial institution immediately.
- Notify Canada's credit bureaus
 - Equifax Canada www.equifax.ca
 - TransUnion Canada www.transunion.ca
- Contact the [Canadian Anti-Fraud Centre](http://www.antifraudcentre-centreantifraude.ca) at www.antifraudcentre-centreantifraude.ca.
- Notify your local police as soon as you are aware of a fraud or theft.

For a detailed guide to protecting yourself online:

- Go to getcybersafe.gc.ca, from the menu on the top right, click Protect Yourself.

More information on tax scams and fraud can be found at Canada.ca/taxes-fraud-prevention.

You can find additional resources on how to protect yourself from scams in the Canadian Financial Literacy Database.

- Go to Canada.ca/financial-tools, click on [Canadian Financial Literacy Database](#).

SUMMARY AND WRAP-UP



BIG IDEA:

Financial fitness is like physical fitness—you've got to stick with it!

What have we learned?

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

Financial Fitness Checklist

Check any items that you can work on this week.

✓	Do I...
Daily	
	Track my expenses.
	Act like a smart consumer: Compare prices and hunt for deals.
	Limit ATM transactions to reduce service charges.
	Continue to learn what I need to know about finances.
Weekly	
	Monitor my online banking accounts.
	Stick to my weekly budgeted expenses.
Monthly	
	Pay bills on time.
	Add up expenses in categories and compare with income.
	Save 5% to 10% of my income through automatic deposit.
	Deposit money to my emergency fund (until it's equal to at least three months net income).
	Check all bills and account statements, and correct any errors.
	Check my investment statements (quarterly).
Annually	
	Check my credit report.
	Contribute to my RRSP or other registered savings plan.
	Revisit my financial goals.
	Update my financial plan.

MORE INFORMATION



- Canada.ca/financial-literacy
- Canada.ca/money
- Canada.ca/financial-tools
- Canada.ca/education-funding
- Office of Consumer Affairs:
www.Canada.ca/en/services/finance/consumer-affairs.html
www.securities-administrators.ca/
- Office Superintendent of Bankruptcy:
www.ic.gc.ca/eic/site/bsf-osb.nsf/eng/home
- Canadian Anti-Fraud Center:
www.antifraudcentre-centreantifraude.ca/index-eng.htm

Please send any comments or feedback to:

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427 Laurier Avenue West, 6th Floor, Ottawa, ON K1R 1B9

Email: info@fcac.gc.ca

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