



Part 2 **GETTING AND EARNING MONEY**



SOURCES OF INCOME

Let's Discuss...

\$ Employment income: Working for others

- Wages and salaries
- Benefits

\$ Self-Employment – Working for Yourself

\$ Deductions from your paycheque

\$ Investment income

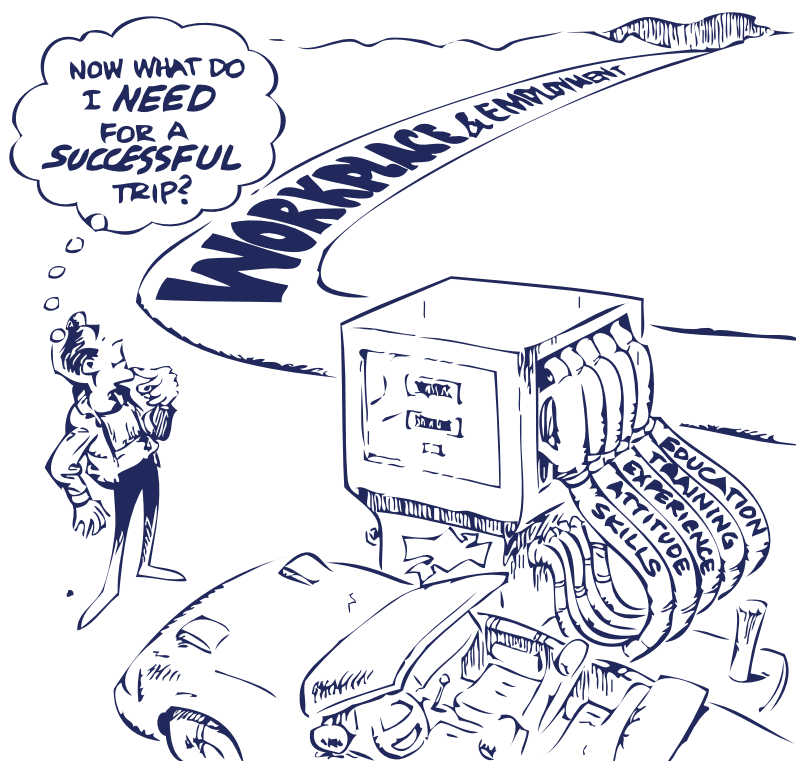
- Capital gains
- Interest
- Inheritance
- Government Transfers
- Lotteries and Gambling

We will all make a great many “money decisions” over the course of our lives. We will make decisions about earning money, spending, saving, borrowing, investing, and donating. The first challenge, before making decisions about how to use money is, of course, to find ways to earn money.

Obtaining money is a task most of us wish was easier than it is. However, even with modest incomes, most people will earn at least one to two million dollars over the course of their lifetime. That's a lot of money – and a lot of money decisions.

Regardless of how much money you make, or will earn, it is important to make good money decisions – and to know how to manage money. Some say that it is only people with lots of money who have to learn to manage it. The fact is, it's probably more important if you don't have lots of money. You'll want to get the most from the money you have.

Most of the money you will get in your lifetime will likely come from your hard work and labour. There are certainly other ways to earn money. But most will likely come from wages and salaries you earn by working for an employer – or from money you make working for yourself as an entrepreneur.



Think About It



If a person makes an average of \$30,000 a year, and works from age 25 to 65, that will add up to \$1.2 million in lifetime earnings. An average of \$50,000 a year would add up to \$2 million. What do you hope to earn as an average income? How much would that mean you would make in your lifetime?

How About You?



Are you a possible entrepreneur? Do you hope to “be your own boss?” It takes a lot of work – and some risks – but many people hope to set up their own business some day. What is your interest in being an entrepreneur?

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NO INTEREST ————— VERY INTERESTED

Later in life, things may change in terms of your income. You may be able to plan and save your money to get to a point where you don't need to work for the income you require to enjoy life. You may save enough to retire and live on money you make from sources such as pensions, savings, and investments.

You may not be thinking much about those later years right now. It's hard to think about “retirement” in your teens and twenties. But if you think about retirement, not as getting old and leaving work at an age like 65, but getting to where “you can do what you want,” that can make a difference.

You may want to plan to get to where you can decide whether to work or not work – and work at what you want – before getting to age 65. Reaching “financial independence” is something most people hope to achieve. Financial independence, in general, is when you don't have to rely on others for the income you need. That is, you aren't financially dependent on your parents/guardians – or on government. But it can also mean that you are not dependent on income from work. You can do what you want – work or not work. It isn't easy getting to that point for most people. And, if it is something you hope for, the earlier you start planning, the better.

Take Action.
Take Control!



If you hope to become “financially independent” some day – and not have to work to earn the income you need – start to plan for that as soon as you can. As an example, if you saved \$50 a month, starting at age 20, and earned 3% average on your savings, by age 65 you would have over \$56,000 from your \$50 a month in savings. That's how savings can build over time with “compound interest.”

How About You?



Making enough money to enjoy life is a challenge for almost everyone. Let's take a look at the different sources of income you may be able to acquire.

At what age would you hope to be “financially independent?” How much money do you think you would have to earn from your savings, investments, etc., in a year, to be financially independent? How might you start to plan to achieve that goal?

Employment Income: Working for Others

Wages and Salaries

Most of us will earn income by working for others – a company, a government, a not-for-profit organization, and so on. Through education, training, and experience, people aim to develop a particular talent or skill while, at the same time, developing general “employability skills” (see the chart at the end of the module) and “enterprising skills” (see the module on entrepreneurship).

Employability skills are those general skills that can help you get, and keep, a job. Enterprising skills can be developed and applied by anyone – whether they work for others or themselves. Such skills include being able to identify opportunities for improvement, taking the lead and initiative, being creative, being a team leader, etc. Such skills are often attractive to an employer.

Equipped with education, training, skills, and the “right attitudes,” the aim for most people is to get as good a job as they can. And people differ in what they see as a “good job.” Some might want to get the highest wage or salary they can (a wage is paid hourly whereas a salary is paid on the basis of one year's work). Some might want to work with others – helping people. Some may want to work outdoors. Some may want a job that involves travel.

*Take Action.
Take Control!*



If you hope to be a leader in the workplace, it can help to develop your enterprising skills. Enterprising people often get recognized for their ideas, initiative, team-building and team-leading skills, etc. Enterprising skills can help a person achieve leadership goals.

Think About It



How could you use the decision-making steps to make a decision about the kind of job you would like to get?

How About You?



WHAT ARE THE THINGS THAT WILL BE MOST IMPORTANT TO YOU IN YOUR JOB?

The following are some possibilities. There may be other things important to you too.

- Level of income
- Work environment
- Work as part of a team
- Opportunities to be creative
- Benefits (health, dental, pension)
- Helping others
- Learn and develop a skill/trade or expertise
- Work outdoors
- Travel
- Work in a profession
- Apply a talent you have (athlete, musician, etc.)
- Work in a particular industry (technology, entertainment, finance...)

When we decide to look for work, we enter into the “labour market.” Here, you will encounter the forces of “supply” and “demand” that, along with other influences, will affect the wage or salary paid for different kinds of work.

In any market – for goods, services, labour, stocks, bonds, etc. – there will be both sellers and buyers. In the case of the labour market, a person offering his/her services in return for an income is part of the “supply.” You, for example, would be the “seller” of your labour services as you look for a job. Employers looking to hire people and pay a wage or salary in return for labour represent the “demand.” They are the “buyers” of labour services.

In general, the higher the level of demand for a particular occupation or skill, compared with the

supply, the higher the wage or salary will be. Therefore, you would ideally want to be looking for work in an area where there is, or will be, a relatively high level of demand compared with supply.

This is a challenge young people face when they are planning their education, training, and career. For example, as you are in your last stages of high school, you may do research and find there seems to be a high level of demand for teachers. It looks to you like the chances of getting a teaching job might be quite good.

But the challenge is to look beyond the situation today. You have to look ahead to when you will be a teacher – and looking for a job. What are the job prospects like in four or five years? Will there still be a high level of demand for teachers then?

It is important to consider the labour market conditions for occupations that interest you – both today and in the future. You can do this by researching some of the “labour market information” (LMI) that is available on the Internet. The federal government, provincial governments, business associations, professional associations, and others will often have LMI available. Governments and employers are anxious to help young people know about labour conditions – and which occupations are going to be needing workers.

Think About It



What are some of the jobs that you think are “in demand” today? What jobs may increase in demand in the future? For what jobs today might there be a decline in demand in the future?

*Take Action.
Take Control!*



Try and use available “LMI” to help you pick the occupation, profession, or trade that is of most interest to you. There is lots of information that you will be able to find about different occupations and careers – and what the job prospects are likely to be in the future. Use it to help you decide.

Today, Canada has a skilled labour shortage – and the shortages will likely increase in the future. Many jobs requiring the skilled trades go unfilled. Many young people could do well if they went into the skilled trades and apprenticeship programs.

In addition, the “post war baby boom” is reaching retirement age. There will be a large number of jobs opening up – that is, if the “baby boomers” have done their planning and are able to retire.

Therefore, there should be some good job opportunities available for today’s youth. The key is to do your homework, learn about where job opportunities are (and will be) and factor this information into your career planning.

But there is something else that is very important to consider. Research has shown that one of the most important keys to career success is “passion” – doing what you love to do. So if there is something you love to do – something for which you have a passion – don’t be afraid to go with your heart. If you have always wanted to be a teacher – and the LMI you find shows demand may not be strong – or the supply may be high – don’t let that stop you. If you love it, want to do it, and have a passion for it – go for it. The chances are you will be good at it, will find a job, and will be happy in your work.

How About You?



Is there a particular kind of work for which you have a passion? Do you have an interest or hobby that you could turn into a career?



In addition to supply and demand, there are other factors that can also influence job opportunities and wages and salaries. Let's take a look at these.

Factors That Can Influence Job Prospects – and Your Wage or Salary

- the level of education, training, and experience that is required to do a particular job – and the level you have acquired
- the number of others who have similar or better skills who can compete with you for a job
- how good you are at what you do
- how long you have been working – your experience, your “seniority”
- your work habits, reliability, dependability, perseverance
- the state of the economy and whether businesses are growing or struggling
- government legislation such as setting levels for the “minimum wage”
- the impact of unions on the wages that are negotiated for certain jobs
- the region in which you live and work and the labour market conditions in that region
- the profitability and success of the particular company or organization for which you work
- luck and chance – do you happen to be at the right place at the right time or the wrong place at the wrong time? There are a great many careers that were a result of “happenstance” or “serendipity”

There are, of course, other factors that can affect job opportunities and incomes. For example, in many cases women are still paid at lower levels than their male counterparts. There may also be discrimination on the basis of age, race, or colour. Authorities, in many cases, are trying to prevent situations of wage discrimination based on sex, age, race, and colour. But some cases of inequity and workplace prejudice still exist and pose challenges to some.

Think About It



What are some of the factors that would likely influence the job opportunities and salary of a professional hockey player, a dentist, an actor, an electrician, a computer programmer, or a journalist?

Other Benefits from Employers

When you work as an employee for a company, other benefits may be provided in addition to your wage or salary. It is certainly not the case that all companies offer attractive benefits packages. Benefits packages vary a great deal from company to company, industry to industry, and even occupation to occupation. Since they can be quite significant, you should ask about the benefits that may be available to you from a particular occupation – or a particular employer.

The possible benefits that may be available from an employer can include the following:

- paid vacation holidays
- paid sick days
- paid provincial government medical premiums (covering your health insurance)
- extended health care insurance
- disability income insurance (short-term and long-term) – which can provide some income if you become ill or disabled
- life insurance
- dental insurance
- profit sharing (employees receive a share of the company's profits)
- payroll savings plan (convenient plan to help you build up savings)
- stock option purchase (become a part owner of the company through owning some shares in the company)
- registered pension plan (to help build a retirement fund)
- group registered retirement savings plan
- educational expense reimbursement (to cover costs of additional education and training)
- provision of an automobile or funds for travel expenses
- benefits for a spouse
- access to financial advice
- company pension program

Learn About



Find information online, from a financial institution, or a family member, about RRSPs and RESPs. These may be of interest to you in saving for education or retirement.

We should say a little more about this last point. It is becoming less common for companies to provide a pension for employees. It is more common to encourage employees to set up a “Registered Retirement Savings Plan” – and the employer may make a contribution to the plan. For example, the employer may match your contribution to your RRSP up to a certain maximum amount. Or the employer may contribute the equivalent of 5% of your salary to your RRSP. There are different kinds of plans and possibilities. Make sure you ask your employer about this.

In addition, if the company does offer a pension plan, it is more likely to be a “defined contribution plan.” In the past, some companies offered “defined benefit plans.” These latter plans set an amount that you would receive monthly or yearly when you retire. Few companies offer these plans any more.

For a “defined contribution plan,” the company tells you how much it will contribute to your plan – not how much you will receive when you retire. How much you will receive will depend on how the money in the plan is invested – and how well those invest-

ments perform. Most Canadians have to take more responsibility for planning for their retirement than they used to. Planning and money management skills are becoming more and more important. You will probably be involved in many, if not all, of the decisions about how your savings will be invested. As with any investment, you can make money – or lose money. Planning for retirement is a major responsibility and challenge for most Canadians.

Now, at a young age, you may not be thinking much about retirement – but try and give it some thought. When you start working, or if you are working, company benefits may help a lot. And the earlier you start to build up savings, the more likely you will be able to enjoy your retirement when you get there.

How About You?



Calculate the approximate income you have received in your life so far. Consider the following sources from which you may have received money.

- Allowances
- Investment Income
- Gifts
- Employment Income
- Business Income
- Awards
- Inheritances

Self-Employment: Working For Yourself

In another module, we explore working for yourself and being an entrepreneur. An entrepreneur is someone who, in order to accomplish his/her goals, sets up and operates a venture. In many cases, this means starting a business. There are thousands of Canadians who have set up and run their own businesses. It is an attractive option for those who can make it work. But a great deal of thought and planning must go into setting up a business – and a lot of hard work is required once it is up and running. So it's not for everyone.

If you set up a business, and run it successfully, your reward is “profit.” Your profit is what is left over after you add up all your revenue from sales and subtract all of your costs to run the business. If that final total comes out positive, you earn an income – profit. If it comes out negative, you have a loss. That is why there is risk involved in being an entrepreneur.

Most of today's large companies started out small and were started by one or more entrepreneurs. Over time, though, as a business grows and requires more money for expansion and improve-

ment, the original entrepreneur(s) may sell shares of ownership to raise the additional funds needed for growth. Eventually, the original entrepreneur(s) may sell all of his/her/their shares of ownership. In this way, large companies often become owned by a large number of shareholders.

Shareholders are people who invest part of their financial resources in shares of the company. As shareholders, they receive a share of profits – called dividends. Each shareholder receives a share of the profits of the company or corporation according to the number of shares owned. If the company is a “publicly traded company,” shareholders can buy and sell their shares on the stock exchange. More on that in a moment.

You may someday set up and operate your own business – or you may already have done so. If the company makes a profit, you earn an income. If you have other shareholders, and share your profits with them, they will earn dividends. So “profit” and “dividends” are two other forms of income.



Go online to a newspaper, or pick up a copy, that provides information on stock prices. Learn how to read the stock table. Select a single stock and calculate how much you would have to pay (without any fees) to purchase 100 shares of that stock today. Follow the price of the stock on a daily or weekly basis for the period of a month. At the end of the month, determine the value of the 100 shares of this stock if you were to sell them. Would you have gained or lost money?

Investment Income

Capital Gains

In addition to a share of the profits that you can earn from investing in a company (paid as dividends), you can also earn income in another way. If a company's shares are publicly traded, you can buy shares on the "stock exchange." An owner of shares ("stock") of a publicly traded company can sell their shares through a stock exchange – such as the Toronto Stock Exchange. There are many stock exchanges around the world – in New York, London, Paris, Tokyo, etc.

There are different ways to explore buying shares – such as working with a "broker" or "advisor" who works with you and provides advice, or making your own decisions and working with a company that serves as an online broker enabling you to buy and sell stock from your account, and so on.

If you buy shares of a company on the stock exchange at \$10 a share and sell those shares later at \$12 a share, the difference is referred to as a "capital gain." This can occur with any investment (for example, bonds, real estate, mutual funds, art), not just investments in the shares of a business.

Capital gains are earned any time you take ownership of an asset (something of value) for a period of time and then sell that asset later at a higher price.

As you probably know, though, you can buy an asset – stock, bond, etc. – at one price and then find its price falls. In that case, you have a "capital loss" rather than a "capital gain." In some cases, the gains – or losses – can be quite large. That is why there are professionals in the different financial areas to provide help and advice. You would need to pay fees for their services. There are professionals who can provide help and advice with buying and selling real estate, stocks, bonds, mutual funds, RRSPs, RESPs, and so on. You will have to decide, when/if the time comes, as to whether you want or need professional advice. If you get help, make sure the person you work with is trained and qualified to help you with the investments you are planning to make.

Therefore, buying an asset at one price and selling it at a higher price to make a capital gain is another way of getting income.



The "get smarter about money" web site of the investor education fund has a lot of great information about investing, saving, and banking. Check it out at <http://www.getsmarteraboutmoney.ca/en/pages/default.aspx>

Interest

Interest is another form of income. Interest is the income you receive when you provide someone with use of your money for a particular period of time – e.g., a loan. That time period may range from a matter of days to years. As an example, you may provide funds to a bank by depositing your savings there. The bank pays you interest while they hold on to your money. Why? Because the bank will lend a good portion of your money out to others who are looking to borrow money from the bank – for a home, a car, a consolidation loan, etc. Those borrowers will then pay interest to the bank. Don't worry, banks and other financial institutions keep enough money on hand to give you back your money if and when you need it. Depositors' insurance, provided by the Canadian Deposit Insurance Company (CDIC), also helps protect depositors' money, up to a certain limit, should a bank ever get into difficulty.

The banks earn an income on the “spread” – the difference between the interest they pay to savers and the interest they charge to borrowers. They also earn income in other ways too – such as fees.

Learn About



Tax-free savings accounts (TFSAS): these can be a good way for young people to save money. The money you can make from interest and capital gains in a TFSA is tax-free. Check out TFSAS. They are becoming very popular.

You may also lend money to a company or government by buying “bonds” that they issue (sell). Bonds are like an I.O.U. If a government or company wants to raise money by borrowing rather than selling shares of ownership, they can sell bonds to borrow money over a certain period of time (e.g., 10 years). They will pay a certain amount of interest (e.g., 4%) to the bond holders. Bonds can change hands after they are issued and before they “mature.” A bond will have a maturity date when the amount borrowed will be paid back to whomever owns the bond on that date. For example, you can buy and sell bonds just like stocks – but in the bond market rather than the stock market.

You can also lend a government money by buying Treasury Bills, which is the way the government borrows funds for periods of less than a year (they use bonds to borrow funds for periods of more than one year).

Interest, then, is the income you earn by depositing your money in an institution, and lending money to others, for a period of time.

Learn About



Next time you are in a financial institution, look for the posted interest rates. Examine the interest rates. How do the rates offered to savers compare with the rates charged to borrowers? Why do they differ? Are different interest rates available to savers? If so, why do these differences exist? Are there different interest rates for different kinds of loans?

Inheritance

At some point in their lives, many Canadians receive inheritances. An inheritance is money or something of value you receive from the estate of someone who dies. At times, these amounts can be quite large because they may come from parents or guardians or other relatives who have spent an entire lifetime building up their savings, assets, investments, and so on.

For many Canadians, it is becoming harder to hold on to assets and pass them on to the next generation. More and more Canadians are having to use up their savings, or large portions of their savings, during their retirement. With fewer pensions available, as people live longer, and as many people require care in their elder years (in some cases very expensive care), savings can be used up.

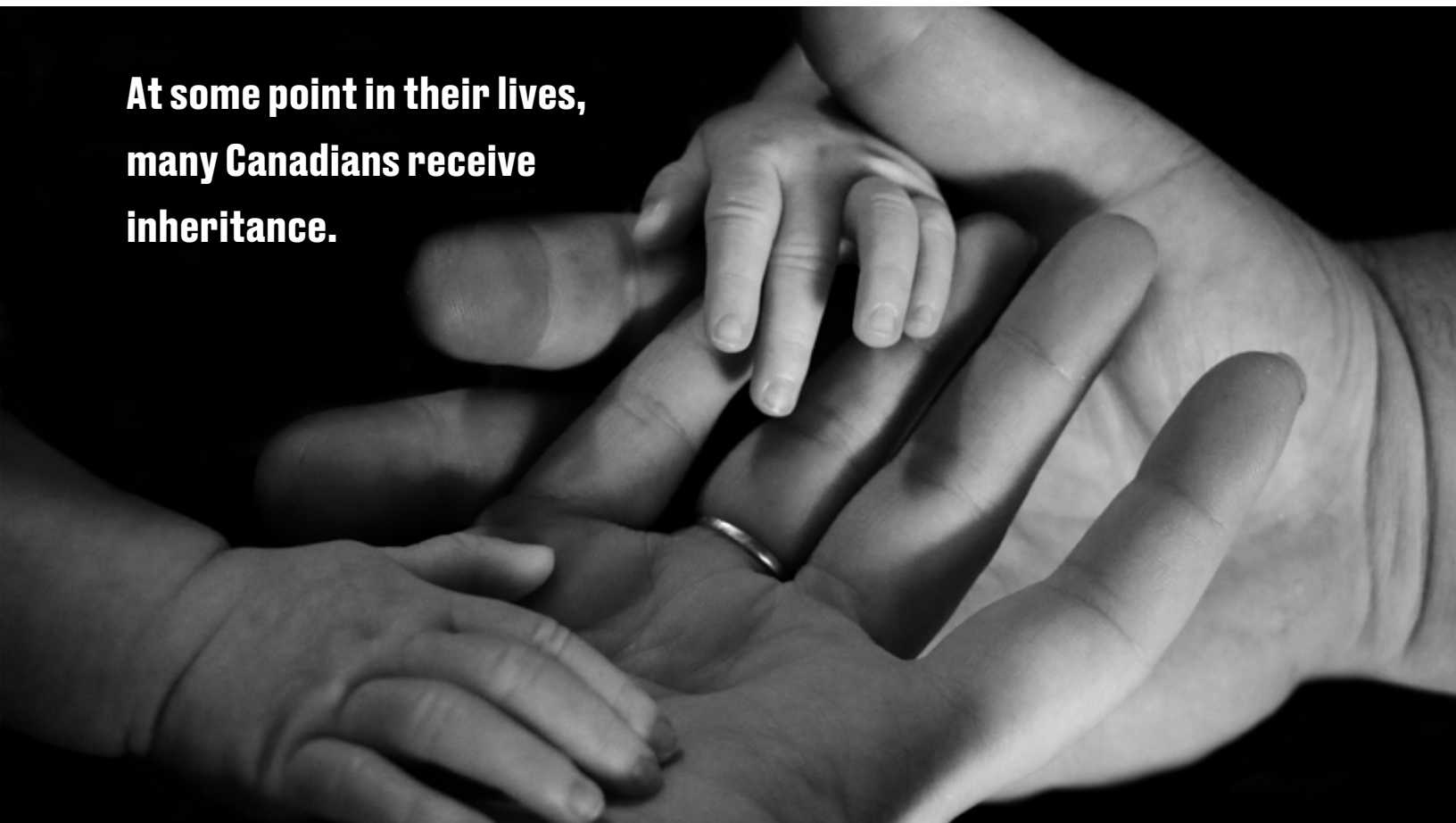
When a person dies, what they leave behind in terms of money and other assets is referred to as their “estate.” If the person made a wise money decision, he/she will have prepared a legal will, usually with a lawyer, indicating what is to be done with the estate. Their estate may be divided among a number of people. Each person that receives something from the estate is a “benefactor.”

The will usually indicates one or more people to be the “executors” of the will. That is, that person, or persons, has the responsibility for making sure the requests made in the will are carried out properly. This is a significant responsibility. If you are ever asked to be an executor, make sure you learn about all that is involved.

Inheritances can often be in the form of assets, rather than money – assets such as houses, cars, cottages, and furniture. These may be passed on to others – or, may be sold for money. Sometimes things can get quite complicated if some family members want to sell an asset (e.g., cottage) but others want to keep it. It can often help if such decisions can be made before the person dies so that there are no serious conflicts or disagreements afterwards.

Although it is difficult to factor any income you may receive from inheritances into your financial planning, it is a form of income that affects many peoples’ lives.

**At some point in their lives,
many Canadians receive
inheritance.**



Government Transfers

Many government programs provide money or goods and services. The Child tax benefit is an example of a government transfer paid to many parents with children under age 18. There are other government transfers, such as welfare, that go to those who are in particular need and who are able to provide evidence to the government that they are in need of financial assistance. Governments also provide employment insurance to help with income if a person becomes unemployed. Workers and employers contribute to Employment Insurance and if a person becomes unemployed, that person has to qualify for payments.

Governments will also subsidize (pay part of the cost of) such things as education and health care. This helps to lower the costs for people who qualify.

It is, however, important to note that income or goods and services that are received from government do not fall mystically out of the air. Canadian taxpayers pay for those programs through the money that they pay in taxes. Taxes are something you probably already know a lot about (because you already pay them – e.g., provincial sales tax and/or federal sales tax) and will likely learn a lot more about them in the future.

So money and benefits received from government are another possible source of income.

Lotteries and Gambling

Good luck if you try! There are more and more opportunities, it seems, to gamble. Lottery tickets can be bought in many places. Slot machines, video lottery terminals (VLTs), and casinos seem to be popping up all over the place.

One thing to keep in mind is that they wouldn't be so popular if they didn't bring in lots of money. If they make a lot of money, that means a lot more people lose than win. The odds are usually against you winning – sometimes very much so.

So be very careful of gambling to try and make money. The risks favour losing rather than winning. And, there is the added risk of "addiction." There are people who lose thousands of dollars, tens of thousands of dollars, and even life savings by getting hooked on gambling. If you ever gamble for fun, make sure it is for fun. There are better ways – and less risky ways – of making money than by gambling.

How About You?



Do you know people who have trouble with gambling? Do you think you may have a problem with gambling? If so, check out the web site of gamblers anonymous

<http://www.gamblersanonymous.org>

There are many sources of help for those with gambling problems.

These, then, are ways to get money. The most common ones for young people are usually income from employment and self-employment. Career planning and decisions will help chart a course towards jobs and future income. Let's look more closely into career planning. We'll then look at the self-employment option – and being an entrepreneur.

Understanding Deductions from Your Pay-cheque

For most people, it is a bit of a shock when they receive their first pay-cheque. They look at it and see all kinds of deductions from their “Gross Pay” reducing the amount of their final “Net Pay” – that is, what you actually get to take to the financial institution for deposit. What is the money that is being subtracted?

Think About It



When you are young, thinking about retirement is not a common thing to do. But, if you can, take five minutes to just think about the kind of life you would like to live when you eventually retire – and the level of income you may need to live that life. How are you going to get that level of income?

- **Income Tax:** Your employer will be obligated to withhold, and submit to the government, the amount of federal and provincial income tax that you are likely to owe at the end of the year.
- **CPP or Canada Pension Plan:** If you work, and contribute over the course of your working life to the Canada Pension Plan, you will be able to draw an annual pension from the government when you retire. You can start to collect the CPP pension when you're 60 at the earliest or defer taking the pension until you're 70 at the latest. The amount of your CPP retirement pension you receive will depend on how much and how long you have contributed to the plan over the years.
Be aware that the pension received is not an amount that is likely to support a majority of the retired Canadians at the lifestyle they have become accustomed to. The maximum amount that a person could receive from the Canada Pension Plan in 2018 was about \$13,600 if CPP was taken as of age 65.
- **EI or Employment Insurance:** This is an amount deducted from a pay-cheque that is available to provide support for Canadians who become unemployed through no fault of their own. It is something that you might benefit from some day – but most Canadians would hope they do not need it. But it is a program that exists to provide help to those who become unemployed, and those who are working contribute to the program as a sort of insurance in the event they lose their job.
- **Group Insurance Programs:** Many companies will have group insurance plans to cover things like health, life, and dental payments. If you are eligible for these benefits, you will likely pay towards the cost of providing them. This is often a shared cost between the employer and the employee. Such benefits can be important and should not be overlooked when considering employment opportunities and negotiating employment agreements and contracts.

- **Company Savings Plans:** The common rule in managing money is to pay yourself first, if you can. That is, put some savings aside and then spend the rest rather than spending and then hoping you have some money left for saving. Saving before spending can be challenging for some. One way to save is to set up an automatic savings plan. That is, an amount will be deducted each month and deposited into a savings instrument as soon as you receive your pay. It is a way of having “forced savings” – that is, you set it up with your employer at the outset and each month the savings portion is looked after automatically before you can spend it. Sometimes the company matches a portion of the savings you put away. Such arrangements may be able to help you save for retirement.
- **RRSP – Registered Retirement Savings Plan:** One way of building up savings for your retirement is to open an RRSP and start depositing funds to the RRSP at a young age. This enables the savings in the plan to grow over time so that you can hopefully reach the level of savings that you need or want for retirement. Some companies will provide you with an opportunity to have funds deposited automatically to an RRSP. Some companies will actually contribute to the RRSP as well on behalf of its employees.

So there you go. These are some of the deductions that you may see on your pay-cheque. It is important that you understand what makes up the difference between your gross and net pay each month. Note that some of these deductions can provide you with benefits and some allow you to save over time for your use in the future. Understanding the benefits that are available and how the savings programs work may allow you to maximize the personal value that you can get from participating in the various programs offered by your employer.

\$ Tip



Don't overlook or ignore insurance. You likely will work hard to obtain things you want in life – car, home, boat, etc. You also want to protect your health and well-being – as well as those who may depend on you. Don't be caught unprepared or unprotected. Avoid buying too much insurance but aim to have enough so that you have peace of mind.

Module Summary

Say What? Possible New Terms!

1. **Financial independence:** having access to enough income to enjoy life without having to work if you do not wish to do so. You are not reliant on others for the money you need to live.
2. **Compound interest:** when savings earn interest, and the interest is added to the savings, this enables the savings to grow and earn more interest. Over the years more and more interest is added and this helps to build up the value of savings.
3. **Wage:** the hourly rate paid to a worker.
4. **Salary:** the annual amount paid to a worker.
5. **Stocks or shares:** represent part ownership in a company. “Shareholders” will receive a share of company profits based on the number of shares they own – if the company makes a profit and profits are distributed.
6. **Bond:** a way in which governments and companies can borrow money. A bond can be sold for a period of time and bondholders will be paid a set amount of interest. On the maturity date, the money will be repaid to the bondholder.
7. **Minimum wage:** the lowest wage that an employer can legally pay an employee.
8. **Disability insurance:** protection you can buy to provide an income in the event of a long-term illness or disability.
9. **Registered Retirement Savings Plan (RRSP):** a means of saving for retirement. Money deposited each year is tax deductible up to a certain maximum. Money is taxed when it is taken out of an RRSP.
10. **Registered Education Savings Plan (RESP):** a means to save for children’s education. Money deposited to the plan is not tax-deductible.
11. **Defined benefit pension plan:** a pension plan where the provider (company, government, etc.) commits to providing a certain amount of income each year when the employee retires.
12. **Defined contribution pension plan:** a pension plan where the provider commits to contributing a certain amount each year to the plan. There is no commitment to an annual payment in retirement.
13. **Capital gain:** is earned when an asset is bought at one price and sold at a higher price.
14. **Dividends:** the shares of a company’s profits that are given to shareholders.
15. **Stock exchange:** where buyers and sellers come together (not physically) to buy and sell stocks with the help of stockbrokers.
16. **Broker (or stock broker):** a person trained and licensed to buy and sell stocks.
17. **Estate:** the money and assets left by a person upon death.
18. **Benefactor:** a person who receives money or assets, as indicated by a will, from someone who has died.
19. **Executor:** the person or persons responsible for seeing that an estate is settled according to a will.

Thinkabout... or Discuss:

- How can you determine if you are a prospective entrepreneur?
- How feasible is it to achieve “financial independence” today? What are the keys to being able to achieve financial independence?
- What are some of the jobs/occupations where demand is likely to increase over the next decade? Decrease?
- How can young people get the best guidance and advice in making education, training, and career decisions?
- Why aren’t more young people going into skilled trades where there are jobs and good incomes?
- Is it true that more and more young people aim to live the lives they lived with their parents/guardians as soon as they leave home? Why? What are the consequences of this?
- What factors are leading young people to take on more debt at younger ages these days?

Did It Stick? Can You Recall?

1. What are the different possible sources of income?
2. What are the different ways of looking at retirement?
3. What is the difference between (a) wage, (b) salary, and (c) benefits?
4. Why is Canada experiencing a skilled labour shortage?
5. What are the things most important to you as you consider your career and the kind of jobs you want?
6. How can the forces of demand and supply affect job opportunities and wages and salaries?
7. What is “LMI”?
8. What are some of the factors that affect your job prospects?
9. What are some of the “benefits” you might be able to receive from an employer?
10. Why is it becoming more challenging for Canadians to be able to save for retirement?
11. What kinds of income can be made from investments?
12. Why are opportunities to gamble becoming more and more common?

Tech Talk

In addition to the education and training you receive, work on developing your employability skills – the skills you need to enter, stay in, and progress in the world of work – whether you work on your own or as part of a team.

EMPLOYABILITY SKILLS

Communicate

- Read and understand information presented in a variety of forms (e.g., words, graphs, charts, diagrams).
- Write and speak so others pay attention and understand.
- Listen and ask questions to understand and appreciate the points of view of others.
- Share information using a range of information and communications technologies (e.g., voice, e-mail, computers).
- Use relevant scientific, technological, and mathematical knowledge and skills to explain or clarify ideas.

Manage Information

- Locate, gather, and organize information using appropriate technology and information systems.
- Access, analyze, and apply knowledge and skills from various disciplines (e.g., the arts, languages, science, technology, mathematics, social sciences, and the humanities).

Use Numbers

- Decide what needs to be measured or calculated.
- Observe and record data using appropriate methods, tools, and technology.
- Make estimates and verify calculations.

Think And Solve Problems

- Assess situations and identify problems.
- Seek different points of view and evaluate them based on facts.
- Recognize the human, interpersonal, technical, scientific, and mathematical dimensions of a problem.
- Identify the root cause of a problem.
- Be creative and innovative in exploring possible solutions.
- Readily use science, technology, and mathematics as ways to think, gain, and share knowledge, solve problems, and make decisions.

- Evaluate solutions to make recommendations or decisions.
- Implement solutions.
- Check to see if a solution works, and act on opportunities for improvement.

Demonstrate Positive Attitudes And Behaviours

- Feel good about yourself and be confident.
- Deal with people, problems, and situations with honesty, integrity, and personal ethics.
- Recognize your own and other people's good efforts.
- Take care of your personal health.
- Show interest, initiative, and effort.

Be Responsible

- Set goals and priorities balancing work and personal life.
- Plan and manage time, money, and other resources to achieve goals.
- Assess, weigh, and manage risk.
- Be accountable for your actions and the actions of your group.
- Be socially responsible and contribute to your community.

Be Adaptable

- Work independently or as part of a team.
- Carry out multiple tasks or projects.
- Be innovative and resourceful: identify and suggest

alternative ways to achieve goals and get the job done.

- Be open and respond constructively to change.
- Learn from your mistakes and accept feedback.
- Cope with uncertainty.

Learn Continuously

- Be willing to continuously learn and grow.
- Assess personal strengths and areas for development.
- Set your own learning goals.
- Identify and access learning sources and opportunities.
- Plan for and achieve your learning goals.

Work Safely

- Be aware of personal and group health and safety practices and procedures, and act in accordance with them.

Work With Others

- Understand and work within the dynamics of a group.
- Ensure that a team's purpose and objectives are clear.
- Be flexible: respect, and be open to and supportive of the thoughts, opinions, and contributions of others in a group.
- Recognize and respect people's diversity, individual differences, and perspectives.
- Accept and provide feedback in a constructive and considerate manner.
- Contribute to a team by sharing information and expertise.

- Lead or support when appropriate, motivating a group for high performance.
- Understand the role of conflict in a group to reach solutions.
- Manage and resolve conflict when appropriate.

Participate In Projects And Tasks

- Plan, design, or carry out a project or task from start to finish with well-defined objectives and outcomes.
- Develop a plan, seek feedback, test, revise, and implement.
- Work to agreed-upon quality standards and specifications.
- Select and use appropriate tools and technology for a task or project.
- Adapt to changing requirements and information.
- Continuously monitor the success of a project or task and identify ways to improve.

*Source:
Conference Board of Canada.
<http://www.conferenceboard.ca/topics/education/learning-tools/employability-skills.aspx>



How are your “employability skills?” Think about each of the skill areas below and do a little self-assessment as to where you think you are at the moment. Review the details for each employability skill on the previous page as you complete your personal assessment.

1. How is your ability to solve problems?

1 2 3 4 5

NEEDS LOTS OF WORK _____ A REAL STRENGTH OF MINE

2. Do you generally demonstrate positive attitudes and behaviours?

1 2 3 4 5

NOT REALLY _____ MOST OF THE TIME

3. How responsible a person do you think you are?

1 2 3 4 5

NEEDS TO BE MUCH BETTER _____ VERY RESPONSIBLE

4. How adaptable are you?

1 2 3 4 5

NOT VERY ADAPTABLE _____ VERY ADAPTABLE

5. Are you a “continuous” learner – looking for new opportunities to learn and taking advantage of them?

1 2 3 4 5

NOT REALLY _____ LEARNING ALL THE TIME

6. Do you generally act in a safe manner and respect your health and the health and well-being of others?

1 2 3 4 5

COULD DO MUCH BETTER _____ YES, MOST OF THE TIME

7. Do you work well with others and work well as part of a group or team?

1 2 3 4 5

NOT REALLY _____ YES, VERY WELL

8. Do you participate positively and productively in undertaking projects and tasks?

1 2 3 4 5

COULD DO MUCH BETTER _____ YES, VERY WELL

9. What do you see as your five most positive and well developed skills and attributes that would enhance your chances of getting a job?

1. _____

2. _____

3. _____

4. _____

5. _____

10. What do you think are the five skills or attributes that you could likely improve upon to enhance your future employment prospects?

1. _____

2. _____

3. _____

4. _____

5. _____

11. Would you hire you for a job? If so, for what kind of work? If not, why not? What can be done to improve your prospects for building a successful future in the workplace.
