

Money Matters

for Indigenous Peoples

Workbook 1 Spending Plans



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for Indigenous Peoples

Welcome to *Money Matters for Indigenous Peoples!*

We designed *Money Matters for Indigenous Peoples* to help you take better care of yourself by taking better care of your money. When you feel good about your money management, you're less stressed, and you have more energy for the things that are important to you.

That's part of what we do at ABC Life Literacy Canada: we help Canadians get the tools they need to increase their literacy so they can live a fully engaged life. For this program, we worked with the Wabano Centre for Aboriginal Health. The Wabano Centre for Aboriginal Health provides health services, education and cultural events for First Nations, Inuit and Métis communities in Ottawa. They made sure *Money Matters* was helpful for Canada's Indigenous Peoples.

Money Matters gives you basic, practical information about money. It'll help you better understand spending, borrowing and saving—how you can put the money you have to work for you.

It also shows you ways to reach your long-term goals. You'll learn about registered savings plans for helping your money grow more quickly. Do you have kids? You'll also learn about ways to help you save for their future.

When you're done the program, you'll have new knowledge but also new questions. We have a list of extra resources for you, so you can get answers and keep improving your financial literacy.

We hope you enjoy *Money Matters for Indigenous Peoples!*

Sincerely,

A handwritten signature in black ink, appearing to read "Mack Rogers".

Mack Rogers, Executive Director
ABC Life Literacy Canada

A handwritten signature in black ink, appearing to read "Allison Fisher".

Allison Fisher, Executive Director
the Wabano Centre for Aboriginal Health

Workbook 1

Spending Plans

“How much money do I have, where does it go, how can I reach my goals?”

Learning Outcome:

Learn ways to get the most out of your money.



What Will You Learn?

This workbook is about spending plans.

A **spending plan** is a plan for how you will spend your money so that you can best meet your needs and goals.

A spending plan also helps you find ways to put aside money for the future. Putting aside money for the future can include saving for your child’s education.



A **spending plan** is a plan for how you will spend your money so that you can best meet your needs.

A Place for Your Notes:

Activity 1



Getting in Touch With Your Money

A self-assessment quiz

What to do

- Check off the statement that best applies to you.
- Think about your money, your life, your family.
- Do you have enough money to meet your needs, now and for the future?

- My money goes out faster than it comes in.
I can't make ends meet.
- I pay my bills, but there's nothing left over.
How can I even think about saving for the future?
- I manage to save a bit of money, but I don't think I'm saving enough to meet my future needs and goals.
- None of the above applies to me. Here's my situation:

A Place for Your Notes:

Activity 2

Meet Skylar and Crystal

Skylar



Skylar was excited to start college, but he didn't think it would be so hard. Missing his friends and family, for one. And then how expensive it is to live in the city. He rents an apartment with a guy from school, and they share expenses. Still, the bills keep piling up. He can't keep track of it all. How can he make ends meet? He's got to eat. He orders pizza a few nights a week, and there's a fast food place close to school where he stops for lunch. He needs his cell phone – it's how he stays in touch with his friends and family. He knows he's spending his savings too fast to make it through the semester, so he gets a credit card to help him out. Thinking about money makes him feel like he's drowning.

Crystal



Crystal and her partner are both good at making money stretch. They both hold down full-time jobs, use coupons, comparison shop, and make the family's meals at home. But after they pay for household bills, day care, groceries and diapers, there's not much left over. They have dreams of owning a home, but that seems to be slipping away from them. How can they save for the down payment when they live paycheque to paycheque? And what about a **Registered Education Saving Plan** for their kids? They put away a little money each month for a "rainy day" fund, but they want to save more. They're just not sure how to make it work.

What's Your Story?



A Registered Education Savings Plan is a special savings account to help you save for your child's future education.

Activity 3

Do you have more in common with Skylar? Or Crystal?

What are some things that Crystal does that helps her save?

What are some things that Skylar does that he could change in order to spend less?

- Think of examples of your spending and saving.
- If Skylar is #1 and Crystal #5, what number would you give to yourself?
- Why?



Spends a lot.
Saves no money.



Spends carefully.
Saves for her future.

1

2

3

4

5

Examples of my spending and saving:

Activity 4



Group Discussion

Does money bring happiness?

Will more money make you happier?

What would you do if you had a little more money each week?

If you had a lot more money over the next year or two?



What's important to you? Take the time to think about it and decide where you want your money to go.

If I had a bit more money:

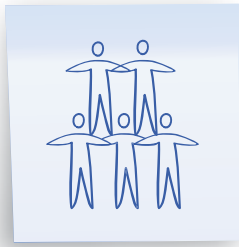
If I had a lot more money:

Your answer to what you would do with a little more money may be a short-term money goal for you.

Your answer to what you would do with a lot more money may be a long-term money goal for you.

A **spending plan** can help you reach those goals.

Activity 5



Try This Group Activity

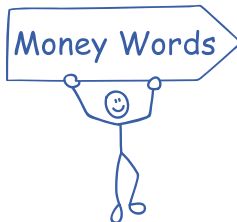
Let's make a spending plan.

A spending plan will help you with your day-to-day expenses, and also help you save for your future, whatever your goal.

To create a spending plan, you'll need to know where the money you have is going right now. How are you spending it?

Sometimes it's easiest to start with the big picture:

- Think of all your monthly **expenses**, those things you pay each month.
- Together brainstorm a list of the kinds of items that are monthly expenses for group members.
- Then pick from the list the items that apply to you personally.



Income is the money you make.
Expenses are what you spend your money on.

My monthly expenses...

1. Shelter
2. Food
3. _____
4. _____
5. _____

Activity 6



Day-to-Day Spending

Most people have some idea of how they're spending their money each day, but they don't know exactly how much they spend. They don't know how much it adds up.

To make a personal spending plan, you'll need to know exactly what you spend.

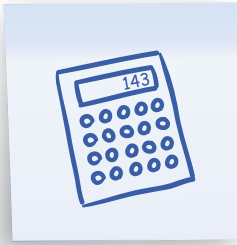
- On the next page, jot down everything you have spent money on in the past two days.
- How much have you spent?



Start a money journal. Every day for a month, keep track of everything you buy, from groceries to your daily cup of coffee and snacks. At the end of the month, use your journal to help you make or change your spending plan.

A Place for Your Notes:

Activity 7



Do the Money Math

Often it's the little things that add up. These little things show us places where we might be able to save money.

Here's an example

Let's say you buy one large cup of coffee a day at \$1.75. That's \$12.25 per week, and \$637 per year.

Suppose you add a muffin for about another dollar each day. That's \$7 per week more, and \$364 per year. In total, you're spending about \$1001 per year.

In a week...

Cost of coffee	\$1.75
Days in a week	X 7
Total:	\$12.25

Cost of muffin	\$1.00
Days in a week	X 7
Total:	\$7.00

Weekly expense...

Cost of coffee	\$12.25
Cost of muffin	+ \$7.00
Total:	\$19.25



Work with a partner. Do the math together to figure out the cost of a muffin and coffee for:

- A month
- A year
- Ten years

A Place for Your Notes:



More Money Math

We can find savings in all the choices we make. On your own or with a partner, do the math together on the following expenses.

1. Lunch Expense

Cost of bottle of water or pop:	\$1.50
Cost of sandwich:	+ \$4.00
Cost per day:	= \$.

Days in a week you buy lunch:	5
Cost per day (from above math):	× \$.
Total cost per week:	= \$.

Number of weeks in a month:	4
Cost per week (from above math):	× \$.
Total cost per month:	= \$.

2. Now it is time to do the math on one of your weekly expenses. Do you smoke, or take taxis, or go to movies on a weekly basis? If so, pick an expense and complete the math to see how you can save.

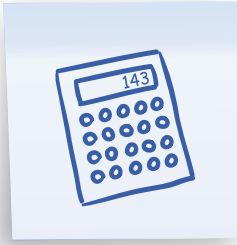
Cost per day:	\$.
Number of days a week:	×
Total cost per week:	= \$.

Number of weeks in a month:	4
Cost per week (from above math):	× \$.
Total cost per month:	= \$.



Work out the savings per year if you were to cut down or cut out the above expenses.

Activity 8



Do the Money Math

Is there an item you spend money on regularly?
Coffee? Cigarettes? Fast food? Movies?
Taxis? Clothes? Something else?

I regularly spend money on:

Here's what it costs me each time:

Do the math. Figure it out. How much are you spending a week, month, year?



How much would you save by:

- Cutting down from a pack of cigarettes per day to a pack per week?
- Buying a case rather than pop or bottled water individually?
- Using a refillable thermos rather than bottled water?
- "Brown-bagging" it rather than buying lunch at work or school?
- Brewing coffee at home rather than buying it at a coffee shop?

Activity 9



Group Discussion

How does the amount you regularly spend compare to the amount you'd need to meet your short-term money goal?

Your long-term money goal?



A spending plan tracks your expenses, but it's also about your goals. It helps you make sure you're spending your money the best possible way for you.

What kind of shopper are you?

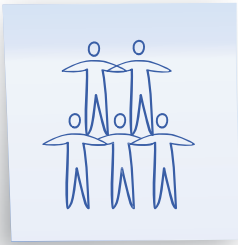
In general, do you spend money because you need something or because you like to shop?

Do you buy on impulse, or do you plan each purchase?

How does shopping make you feel?

A Place for Your Notes:

Activity 10



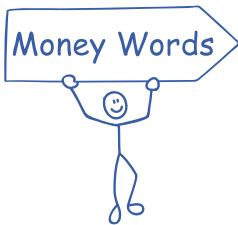
Try This Group Activity

When you're making your spending plan, separate your expenses into **needs** and **wants**.

- Look at the monthly expenses list you created as a group.
- Together decide what items are needs and what are wants.



Needs are basic expenses, things you cannot do without. We need shelter, food and water. Needs keep us alive!



Wants are things we want to have, but don't need to survive. They're our extra expenses—the "nice-to-have" things. It doesn't matter how much you want them. They don't keep us alive, so they aren't needs.

A Place for Your Notes:

Activity 11



What's Important to You?

Now consider your personal spending. What do you **need** to have money to cover or pay for first? These are your basic expenses.



Good money management includes your **needs** and your **wants**. It just means you deal with your **needs** first. Then you can think about the things you want to have.

On the next page, write down your **needs** in one column, and your **wants** in the other.

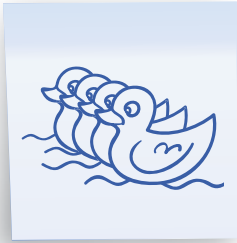


Look at your **Wants** (Extra Expenses) to find places where you might save money or trim spending.

Look at your **Needs** (Basic Expenses) to see if items can be moved to the **Wants** column. For example, do you have a cell phone plan? Are you paying for services you don't need?

A Place for Your Notes:

Activity 12



Getting Your “Money Ducks” All in a Row...

People get into debt when their **income** (the money they make each month) is less than their **expenses** (the money they spend each month). They often borrow to cover the shortfall.

Are your expenses greater than your income?

Use the worksheet on the next page to help you figure it out.

- Add up the money you make each month.
- Add up your monthly expenses.
- How do the two numbers compare?

Think about it

Next take a look at your Extra Expenses list.

- Which item would be easiest to give up?
- The hardest?



Put aside the money you need from each paycheque to cover your basic expenses. Do that first thing.

Set up a “money jar” to cover your extras, maybe the cost of that coffee per day, or a new pair of jeans.

Put in the money jar the amount you’ve budgeted to spend, and then stick to your spending plan. Pay with cash, not credit.

Spending Plan Worksheet

My Monthly Income: _____

My Basic Expenses (Needs)

Item	Amount I spend each month
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

My Extra Expenses (Wants)

Item	Amount I spend each month
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

My Total Monthly Expenses: _____

How am I doing?

Income - Expenses = _____

Activity 13

Fill in the Details

Work to get a clearer picture of your monthly expenses.



It's easy to make a budget that covers big things, but misses all the little things we spend money on. Take the time to figure out all the places you want your money to go.

Try this

- Keep a money journal for a month. Record every purchase or payment you make.
- Keep all of your receipts. Add them up so you know for sure what you're spending.
- Read your bank statements if you have a bank account. Check the withdrawals.

Making Change

Make changes to your spending plan worksheet based on what you've learned by keeping track of your spending.

Think about where you might shift spending to meet your basic needs, balance your income and expenses, or save money. Make these changes on your spending plan.

Plan for some fun too!



Sure, entertainment is always going to be a want, not a need. But it's important to leave some room for fun in your spending plans.

Activity 14

Meet Matthew and Raven



Matthew

Matthew is a single dad. His little girl is the centre of his world. He's determined to give her a good life, but it's a bumpy road sometimes. There's no money for extras, the things he'd like to give her as she grows up. When a paycheque comes in, the money goes back out again really fast. Matthew's never sure there is enough money to cover everything, though he's managed to get by so far. He thought about taking a second job to boost his income, but he doesn't have a lot of extra time, raising his daughter on his own. And he doesn't want to miss her growing-up years...



Raven

Raven is an entrepreneur who runs her own business. The business is going well, and she likes being her own boss. Over the past few years, she's been putting some of the profit from her business into a savings account. She knows she wants to expand her business down the road. Now she figures it's time to start thinking about her future, but she isn't sure how she should go about it. Does she want a Registered Retirement Savings Plan? A Tax-Free Savings Account? She's not sure how they work or what's going to be best for her.

A Place for Your Notes:

Activity 15



Group Discussion

Choose one of the stories describing Skylar, Crystal, Matthew and Raven. Read the story aloud as a group.

Now take a closer look at the story together.

- How is the person spending their money?
- Do you think it's possible for them to meet their monthly expenses? And to set aside some savings, too?
- What advice would you give them? Be specific. Offer concrete actions and steps.

Our best advice:

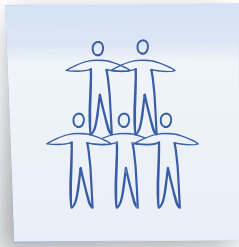
1. Skylar could keep a money journal to get a better picture of his money needs. He doesn't seem to know how much he's spending, and on what.
2. _____

3. _____

4. _____

5. _____

Activity 16



Try This Group Activity

Share your successes and ideas. Do you have money tips that others in the group might find helpful? What works for you? How do you make ends meet?

Do you put aside money for an emergency? Have you ever had to spend a large amount of money for an unexpected event? Something you didn't plan for?

Do you have advice for others who might find themselves in a similar situation?

Are you saving for your child's future education? How do you go about it? Do you have ideas to share? Is an RESP something you've set up, or would like to set up?



Take a money tip or idea suggested by a group member, and try it for a week or so. Does it work for you?

Learning More

For more information about Registered Education Savings Plans, Canada Learning Bonds and Canada Education Savings Plans, visit www.canlearn.ca.

“Making a Budget and Sticking to it,” Financial Consumer Agency of Canada, www.fcac.gc.ca.

A Place for Your Notes:

A Place for Your Math:

Activity 7 Answers

1. Lunch Expense

Cost of bottle of water or pop:	\$1.50
Cost of sandwich:	+ \$4.00
Cost per day:	= <u>\$5.50</u>

Days in a week you buy lunch:	5
Cost per day (from above math):	× \$ 5.50
Total cost per week:	= <u>\$27.50</u>

Number of weeks in a month:	4
Cost per week (from above math):	× \$ 27.50
Total cost per month:	= <u>\$ 110.00</u>

2. Please check with your tutor or practitioner as answers will be unique to your choices.

A Place for Your Notes:

A Place for Your Math:

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expenses

what you spend your money on

income

the money you make

needs

things you must have and can't do without, such as food

Registered Education Savings Plan

a special savings account to help you save for your child's future education. Also known as a RESP

spending plan

a plan for how you will spend your money so that you can best meet your needs; also called a budget

wants

things that would be nice to have, but that you can live without



for Indigenous Peoples

Congratulations!

You've now completed Workbook 1 of *Money Matters for Indigenous Peoples*, a program designed to help you make your money work for you.

You've taken an important step to a better understanding of how to take care of yourself by taking care of your money. This is called **financial literacy**.

We hope you've learned things that you can put to practice in your life. We also hope that you feel more comfortable going to a bank or another financial institution to ask questions, get advice, and choose the best money option for you.

Don't forget! Remember!

Now please take the time to finish filling out the course evaluations. This will help us to improve the course and make changes you need.





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