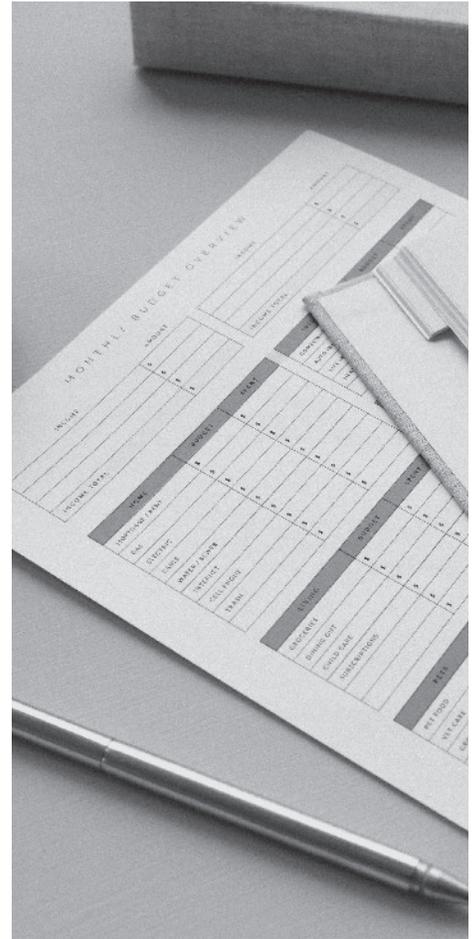




Money Matters

for Indigenous Peoples



WORKBOOK 1

Spending Plans



Founding Sponsor



Copyright © 2020 ABC Life Literacy Canada

First published in 2011 by ABC Life Literacy

All rights reserved.

ABC Life Literacy Canada gratefully thanks Founding Sponsor TD Bank Group for their generous support of *Money Matters*.

Printed in Canada

Distributed to organizations across Canada by ABC Life Literacy Canada.

Money Matters for Indigenous Peoples is delivered in Newfoundland and Labrador through the literacy and essential skills program Activate Learning.

Canada

Activate Learning is funded in part by the Government of Canada's Adult Learning, Literacy and Essential Skills Program.

These materials were developed with the guidance of Suzanne Methot.

You can learn more about her work at suzannemethot.ca



Founding Sponsor



**TD READY
COMMITMENT**

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. We'll talk about how to manage money online and in your daily life.

No matter who you are or what your situation is, it can be hard to think and talk openly about money. It can be hard even with people you know well. Be patient with yourself as you get started. We organized this workbook around the Indigenous "4 Rs" – the values of respect, responsibility, **reciprocity**, and relationships. The 4 Rs will guide our talk and may help you feel more comfortable.

When you feel good about money and money management, you're less stressed. You have more energy for the things that are important to you.

Money words

When something is **reciprocal** it is shared or felt by both sides. A reciprocal process means doing things in a way that balances giving and taking. Indigenous systems are based on reciprocity, give and take. When reciprocity is combined with respect and responsibility, it creates strong relationships.

What will you learn?

In today's workshop you will learn how to:

- Understand your money situation
- Keep track of your income and expenses
- Calculate your spending over time
- Determine your needs and wants
- Make a spending plan that works for you





What is a spending plan?

This workbook is about **spending plans**. A spending plan is a plan for how you will spend your money so you can best meet your needs and goals. Meeting your needs and goals is one way to respect yourself.

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. We all have a responsibility to think about other people's needs. This is how we create strong relationships.

You can find all of the money words and definitions listed together on page 24 of the workbook.

Money words

A **spending plan** is a plan for how you will spend your money so that you can best meet your needs. It may also be called a budget.

Getting in touch with your money

Think about your money, your family, and your life. Do you have enough money to meet your needs now and in the future?

- My money goes out faster than it comes in. I don't have enough money to pay for all the things I need.
- 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 apply to me. Here's my situation:

A good world is one where everyone can do the work of the mind and the spirit in a creative way.
A good world is about more than just money.



Meet Leland & Kelly



Leland

Leland works hard for his money, but runs out of cash before the next paycheque. He's not sure where all his money goes. There's the cell phone plan, rent, internet, credit cards, and food. He sometimes cooks at home, but often buys something from a local sandwich shop or orders takeout. He uses the bank machine at the corner store close to his place. There's always something he needs and the store is open night and day.



Kelly

Kelly's good at making money stretch. She knows how much money is coming into the family, and exactly where it goes. She uses coupons, comparison shops, and makes the family's meals at home. She puts a little money aside each month for emergencies, but wishes she could save more. She'd like to save to help pay for her kids' future education, but isn't quite show how to go about it. She's heard about government programs like **Registered Education Savings Plans**, but there is a lot of confusing information to try to understand.

Money words

A **Registered Education Savings Plan** is a special savings account to help you save for your child's future education. It may also be called an RESP.

Do you have more in common with Leland or Kelly?

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

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

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



Examples of my spending and saving:





Let's talk about it

Do you have money goals? When you make a spending plan, it's helpful if you know what you want to do with your money. Discuss your thoughts with a partner or group.

- 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 I would:

If I had a lot more money I would:

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.

Monthly expenses

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 money goals are.

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.

In a group, follow the steps below:

- Think of all your monthly expenses, those things you pay for each month
- Together brainstorm a list of the kinds of items that are monthly expenses for group members
- Write your group's ideas below
- Circle the expenses that apply to you

Money words

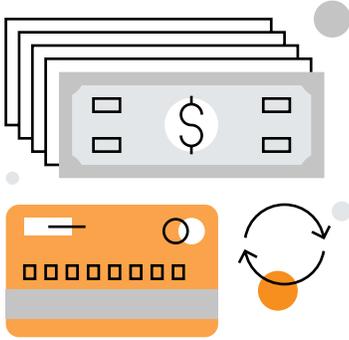
Income is money you get from a job, benefits, or somewhere else.

Expenses are things you spend money on.

Monthly expenses

- 1 Rent _____
- 2 Food _____
- 3 _____
- 4 _____
- 5 _____





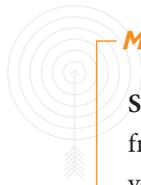
Day-to-day spending

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

A personal spending plan can help keep track of your spending. To make one, you'll need to know exactly what you spend your money on.

Let's get started:

- On the next page, write down everything you have spent money on in the past week.
- How much have you spent?



Money challenge

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.



Money math: expenses

Often, it's the little things that add up to a lot of money over time. These little things show us places where we might be able to save money.

Here's an example

Let's say you buy one medium 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 and \$364 per year. In total, you're spending about \$1001 per year.

In a week...

Cost of coffee	\$1.75	Cost of muffin	\$1.00
Days in a week	x 7	Days in a week	x 7
Total:	= \$12.25	Total:	= \$7.00

Weekly expense...

Cost of coffee	\$12.25	Cost of muffin	\$1.00
Cost of muffin	+ \$7.00	Days in a week	x 7
Total:	= \$12.25	Total:	= \$7.00

Money challenge

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

Money math: expenses

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

1. Example: Lunch expenses

Cost of bottle of water or pop:	\$1.50
---------------------------------	--------

Cost of sandwich:	+ \$6.00
-------------------	----------

Cost per day:	= \$
----------------------	-------------

Days in a week you buy lunch:	5
-------------------------------	---

Cost per day (from above math):	x \$
---------------------------------	------

Cost per week:	= \$
-----------------------	-------------

Number of weeks in a month:	4
-----------------------------	---

Cost per week (from above math):	x \$
----------------------------------	------

Cost per month:	= \$
------------------------	-------------

You can check the answers to your math on page 27.





Money math: expenses

2. Your turn: Do the math on one of your weekly expenses. Do you smoke, order takeout, or go to the movies on a weekly basis? Pick an expense and complete the math to see how you can save.

Cost per day:		\$
---------------	--	----

Number of days a week:		x
------------------------	--	---

Total cost per week:		= \$
-----------------------------	--	------

Number of weeks in a month:		4
-----------------------------	--	---

Cost per week (from above math):		x \$
----------------------------------	--	------

Total cost per month:		= \$
------------------------------	--	------

Comparison shopping

How much could you save by:

- Making coffee at home rather than buying it?
- Buying a case rather than individual bottles of water or pop?
- Using a refillable bottle rather than bottled water?
- Bringing your own lunch rather than buying lunch at work or school?
- Cutting down from one pack of cigarettes per day to a pack per week?

Money challenge

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

Money math: expenses

Is there an item you spend money on regularly?

Coffee? Fast food? Movies? Taxis? Clothes? Cigarettes? Something else?

I regularly spend money on:

Here's what it costs me each time:

<hr/>	<hr/>

Do the math. Figure out how much you are spending on each item in a week, month, and year.





Needs and wants

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

Look at the regular expenses you listed on the previous page:

- Did you list the same things as others in your group?
- What items are needs and what items are wants?
- Did everyone in your group agree about which items are needs? What are some reasons people might have different answers?

Unexpected expenses

Regular expenses aren't the only kinds of expenses we have. You might also need money for something you didn't know would happen. With your group, think of examples of these kinds of expenses.

- Look at the unexpected expenses your group thought of. Which examples are the most common?
- Have any of those things happened to you? What did you do?
- How can a spending plan be helpful when these expenses happen?

Money words

Needs are basic expenses, things you can't 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.

What's important to you?

Sometimes it's hard to decide if something is a need or a want. It helps when you know what's important to you in life. You can use the 4 Rs – respect, responsibility, reciprocity, and relationships – to help decide what's important.

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.

For many people, needs and wants come from their **values**. Values are things that are important to you. For example, if you value staying in touch with family and friends, your cell phone plan might be a need for you. Your needs and wants may be different from someone else.

That's okay.

Look at the expenses you listed on page 13. Take all of your needs, and write them down in the first table on the next page. Then write down why that expense is important to you. Your answers will help you understand your values. Do the same thing for your wants in the second table.

! Money tip !

Look at your needs table to see if items can be moved to the wants table. For example, do you have a cell phone plan? Are you paying for services you don't need?

Look at your wants table to find places where you might reduce spending and save money.

Money words

Values are what you think is important in life. Different people have different values.





What's important to you?

My needs:

My values:

My wants:

My values:

Meeting your money goals

Now that we've thought about needs, wants, and values, let's take another look at your short-term and long-term money goals.

Look at page 6 for your short-term and long-term goals.

- How much money do you spend every month? How much money do you need to meet your short-term money goal?
- Do you think you can achieve your short-term goal with your current spending?
- What about your long-term goal?

Now that we've thought about needs, wants, and values, let's take another look at your short-term and long-term money goals.

1 _____

2 _____

! Money tip !

A spending plan tracks your expenses, but it's also about your goals. It helps you make sure you're spending your money in the way that's best for you. It helps you respect yourself and meet your responsibilities to other people.

What kind of shopper are you?

Discuss your thoughts with a partner or group:

- 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?





Getting your money in order

People get into debt when their income is less than their expenses. They often borrow to cover the difference, and go into debt. Debt can be a trap that makes it impossible for people to think about changing society.

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. This is your income.
- Add up your monthly expenses. It might help to look at what you wrote earlier.
- Which number is bigger? Your income or your expenses?

Think about it

Look at your My Wants list on page 16.

- Is there anything you would like to change?
- Which item would be easiest to give up?
- The hardest?
- Is there anything on the list that speaks to you of reciprocity?
Of relationships?

! Money tip !

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

Set up a money jar to cover your extra expenses. It could be for a coffee per day, or a new pair of jeans.

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

Spending plan worksheet

My monthly income

Total:

My needs – basic expenses

Item	Amount I spend each month
<hr/>	<hr/>

My wants – extra expenses

Item	Amount I spend each month
<hr/>	<hr/>

My total monthly expenses:

How am I doing?

Income – Expenses =





Fill in the details

Here's how you can get a clearer picture of your monthly expenses:

- 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.

! Money tip !

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

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.

Remember to set money aside for fun!

! Money tip !

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 plan.

Let's talk about it

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 sure you have enough money for the things you need to pay for?
- 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?



Money challenge

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





How to learn more

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

For more information on making a budget, and sticking to it, see “Making a Budget” and “Budget Planner” on the Financial Consumer Agency of Canada’s website at www.fcac.gc.ca.

Lots of banks have online tools to help you with budgeting. If you have a bank account, check your bank’s website or ask a customer service representative for more information.

Congratulations!

You've completed the Money Matters for Indigenous Peoples Spending Plans workbook. You learned about:

- Income and expenses.
- Needs and wants.
- Making a spending plan that works for you.

For Indigenous peoples, learning is lifelong. For the last activity, we hope you will make a **pledge**. The pledge can be personal, or you can share it with others.

My pledge

I pledge to work on my money management by:

Sometimes a pledge needs an action plan: a list of steps you'll take to make your pledge happen.

My action plan

What do I need to do first?

Who will support me?

How will I overcome obstacles and setbacks?

Money words

A **pledge** is a serious promise to yourself or to others.





Money words

Expenses	Things you spend money on.
Income	Money you get from a job, benefits, or somewhere else.
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 called an RESP.
Reciprocity	When something is shared or felt by both sides. A reciprocal process means to do things in a way that balances giving and taking. Indigenous systems are based on reciprocity, give and take. When reciprocity is combined with respect and responsibility, it creates strong relationships.
Spending Plan	A plan for how you will spend your money so that you can best meet your needs. Also called a budget.
Values	What you think is important in life. Different people have different values.
Wants	Things that would be nice to have, but that you can live without.

Answers

Page 11

1. Example: Lunch expenses

Cost of bottle of water or pop:		\$1.50
---------------------------------	--	--------

Cost of sandwich:		+ \$6.00
-------------------	--	----------

Cost per day:	=	\$7.50
----------------------	---	---------------

Days in a week you buy lunch:		5
-------------------------------	--	---

Cost per day (from above math):	x	\$7.50
---------------------------------	---	--------

Cost per week:	=	\$37.50
-----------------------	---	----------------

Number of weeks in a month:		4
-----------------------------	--	---

Cost per week (from above math):	x	\$37.50
----------------------------------	---	---------

Cost per month:	=	\$150.00
------------------------	---	-----------------

Page 12

2. Please check with your tutor or practitioner as answers will depend on your choices.





for Indigenous Peoples

Thank you!

Thank you for completing 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 and those you care about 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.

We'd appreciate your feedback on this workbook!

Please take the time to fill out the workshop evaluation form. This will help us to improve the workshop and make changes you need.