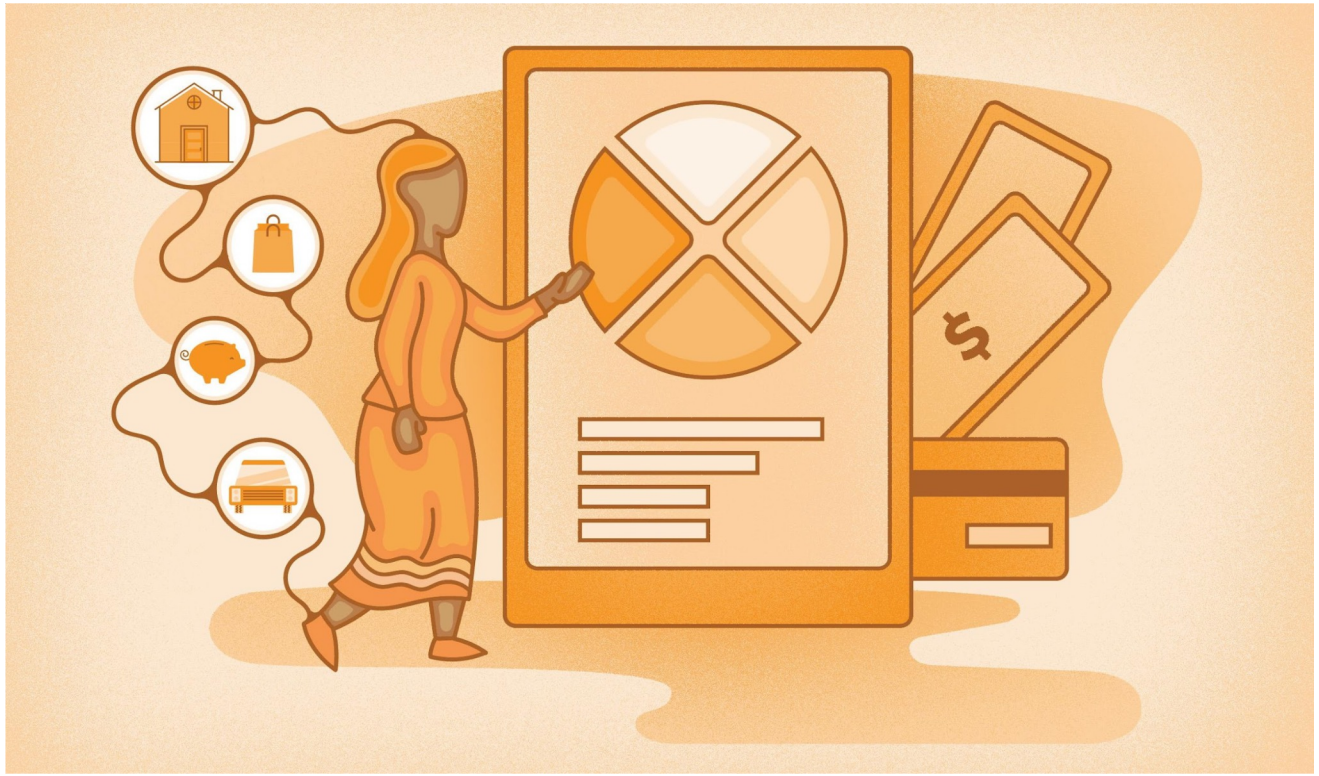
Money Matters

for Indigenous Peoples



Spending Plans

LifeLiteracyCanada

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The values of the 4R's

- Respect
- Responsibility
- Reciprocity
- Relationships

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.

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?

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. It may also be called a *budget*.

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.**

Getting in touch with your money

- ❑ 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

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.

Meet 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 sure how to go about it. She's heard about government programs like **Registered Education Savings Plans** (RESP), but there is a lot of confusing information to try to understand.

Helpful words

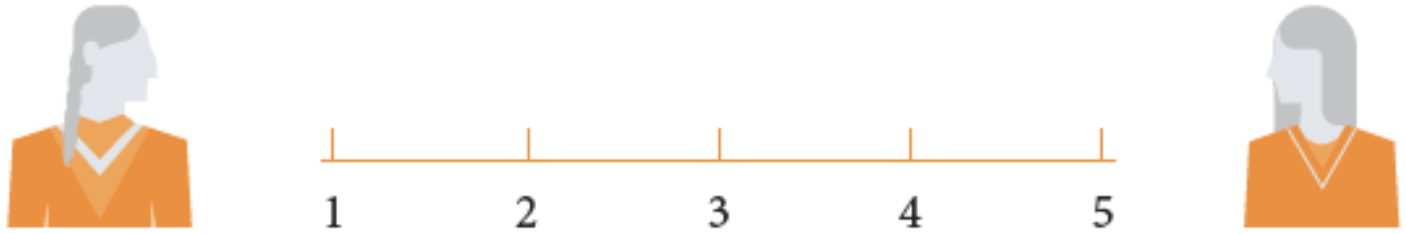
A **Registered Education Savings Plan** is a special savings account to help you save for your child's future education. It may also be called an RESP.

Do you have more in common with Leland or Kelly?

What are some of the 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 be?
- Why?



Examples of my spending and saving:

Let’s talk about it

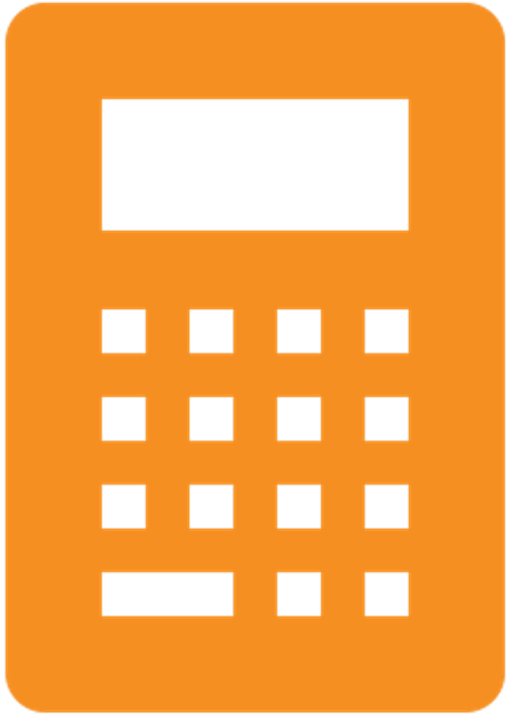
- Does money bring happiness?
- Will more money make you happier?
- What would you do if you had a little more money each week?
- If you had a lot more money over the next year or two?

My money goals

Your turn!

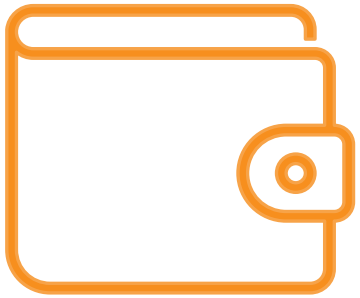
If I had a bit more money I would:

If I had a lot more money I would:



Monthly expenses

1. Rent
2. Food
3.
4.
5.
6.



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

Expenses are what you spend money on.

Day-to-day expenses

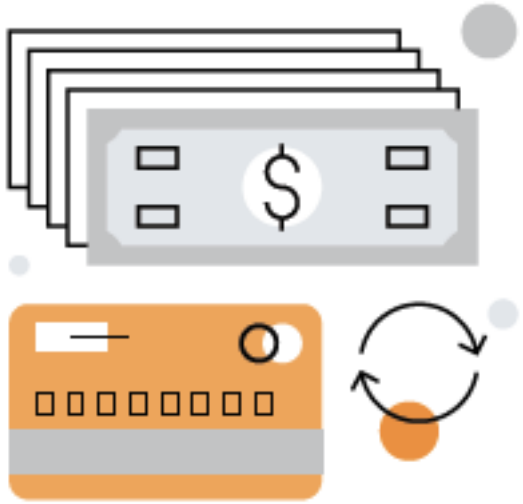
Most people have some idea of how they're spending their money, but they don't know exactly how much they spend. They don't know how it adds up.

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.

Spending chart

How I spent my money...	How much I spent...
Total:	

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

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.

Cost of coffee: $1.75

Cost of muffin: $2.00

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**

Money challenge

Do the math together to figure out the cost of a muffin and coffee for:

- **A month**
- **A year**
- **10 years**

In a month…

Cost per week	$19.25
Weeks in a month	X 4
Total	**= $77**

In a year…

Cost per week	$19.25
Weeks in a year	X 52
Total	**= $1001**

In 10 years…

Cost per year	$1001
	X 10
Total	**= $10,010**

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.

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:	**= $**

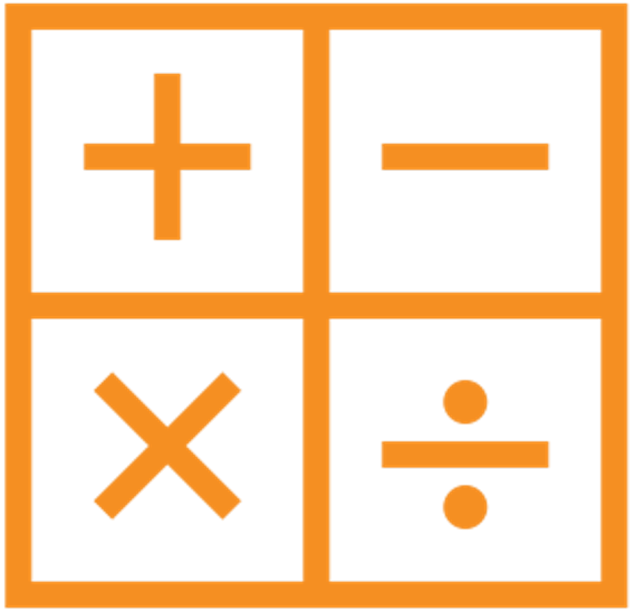
Money math: expenses

Answer:

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 day (from above math):	x $37.50
Cost per month:	**= $150.00**

Money math: expenses



Your turn!

Do the math on one of your weekly expenses. Pick 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	$
# of days a week	X 7
Cost per week	= $

Cost per week	$
# of weeks in a month	X 4
Cost per month	= $

Cost per month	$
# of months in a year	X 12
Cost per month	= $

Comparison shopping

How much money 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 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:

Needs and wants

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

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.

Unexpected expenses

Let’s talk about it…

- 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?

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.

For many people, needs and wants come from their **values**.

Helpful words

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

What’s important to you?

Take all your expenses, and sort them into your wants and needs. Then write down why each expense is important to you. This will help you understand your values and how they’re connected to your spending

My needs:

My values:

My wants:

My values:

Money challenge

Look at your needs table to see if items can be moved to the wants table. For example, look at your 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.

Meeting your money goals

If I had a bit more money I would:

If I had a lot more money I would:

- 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?

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.

Meeting your money goals

1 _____

2 _____

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?

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 to help you figure it out.

- Add up the money 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 expenses?

My monthly income

Total

My needs – basic expenses

Item	Amount I spend each month

My wants – extra expenses

Item	Amount I spend each month

My total monthly expenses:

How am I doing?

Income – Expenses = _____

Think about it

- 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 paycheque 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.

Filling in the details

- **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

- 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?

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?

Congratulations!

You learned about:

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

Lifelong learning

My pledge

I pledge to work on my money management by:

My action plan

What do I need to do first?

Who will support me?

How will I overcome obstacles and setbacks?

Post Survey

How to learn more

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.