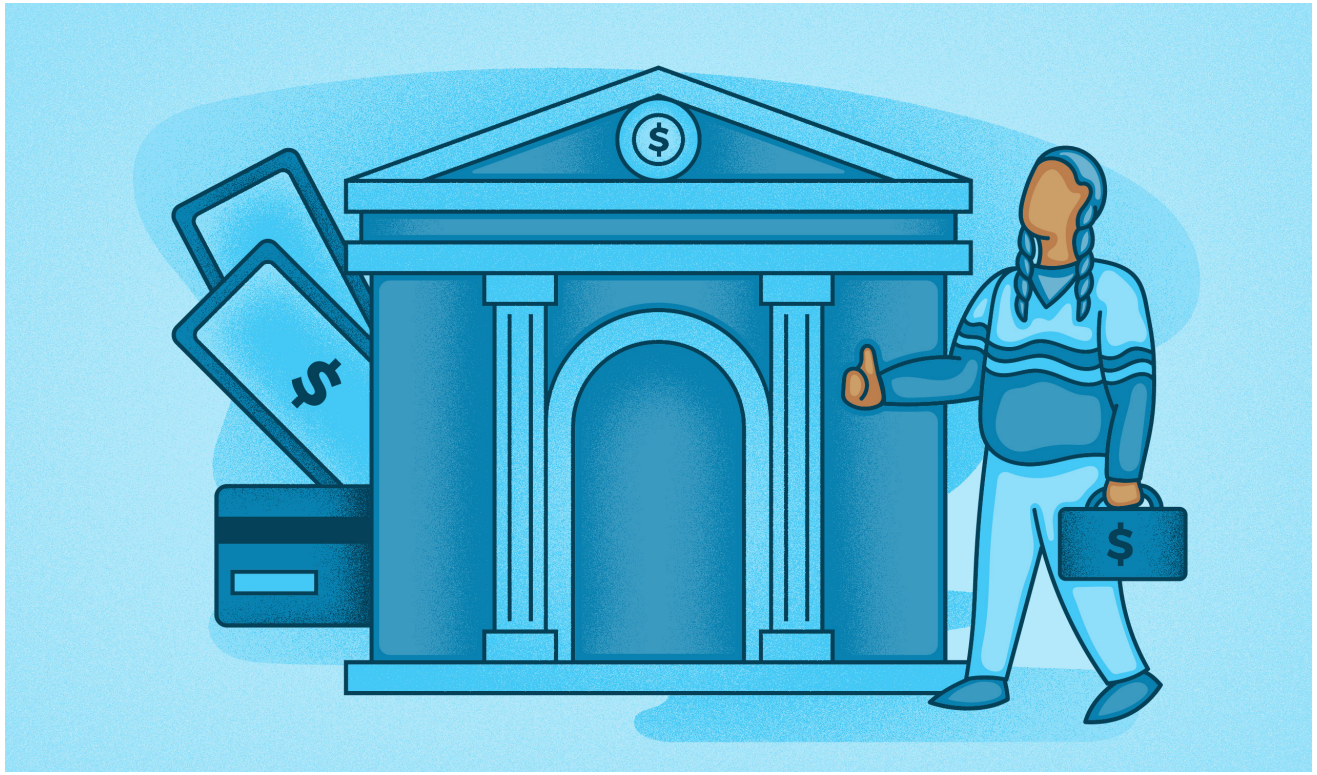
Money Matters

for Indigenous Peoples



Banking Basics

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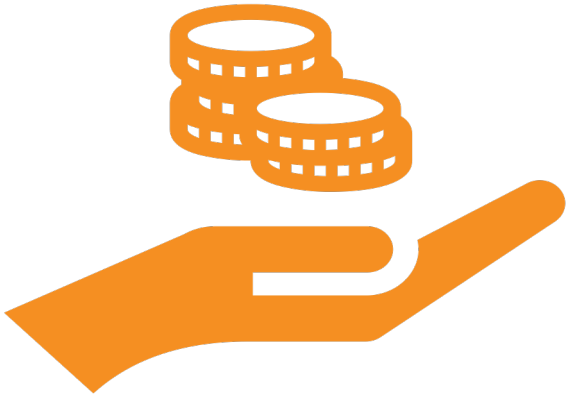
The values of the 4R's

- 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.

In today's workshop you will learn how to:

- Understand your bank account
- Know your rights related to bank accounts and cashing cheques
- Choose the right bank account for you
- Keep yourself and your money safe

Banking basics

A **bank** takes cash deposits, lends money, and provides other money services. You can set up a bank account at a bank.

A **bank account** is a safe place to put your money and help you save it. Some types of bank accounts are savings accounts and chequing accounts.

A **savings account** is an account where you earn interest on the money you put into it.

A **chequing account** is an account where you can write cheques, pay bills, and do other personal money tasks. It pays little or no interest.

Getting in touch with your money

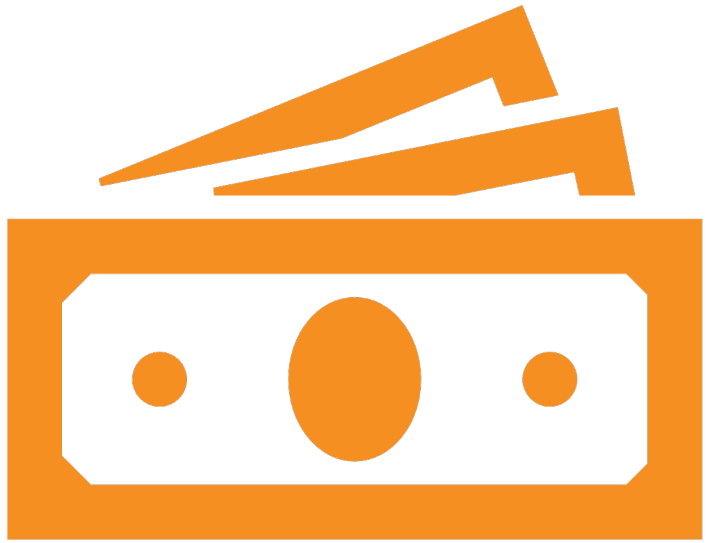
- ❑ I have a bank account, and I like going to the bank
- ❑ I would probably want a bank account if I knew more about them
- ❑ Banks make me uncomfortable so I use a cash store when I need money
- ❑ None of the above apply to me. Here's my situation:

Helpful words

A **cash store**, sometimes called a payday lender, is a business that cashes cheques or lends you money for a fee. The fee is often much more than you would pay at a bank.

The money you get from a cash store is **called a cash advance** or a payday loan.

Some people use payday lenders because they cannot get bank loans. This often leads to a cycle where people must get additional credit to pay the outstanding loan. In this way, debt is connected to poverty. The relationship between a payday lender and borrower is not reciprocal.



Let’s talk about it

- Why do you think people might feel uncomfortable when they talk about money?
- What might help people feel more comfortable?
- How do you feel when you talk about money or visit a bank?
- How do you feel when you use online banking?

Meet Leland

Leland receives a tax credit in the mail from the Government of Canada. He is short on cash, and he needs the money now. There's a bank open across the street. Leland doesn't think he can cash his cheque there because he doesn't have an account at that bank. Leland remembers that he has gone to a cash store before to get a cash advance, so he decides to visit the cash store again

Interest and percentages

When you borrow money, you have to pay back the amount you borrowed plus a little extra. The extra is called interest.

When you put money in a savings account, the bank pays you interest.

Percentages are parts of 100. Another way to say percentage is “out of 100.”

For example:

- 10% equals 10 out of 100
- 50% equals 50 out of 100
- 80% equals 89 out of 100

Helpful words

Interest is a fee someone pays to borrow money. When you get a loan or use credit, you need to pay back the amount you borrowed plus interest. When the bank uses the money you put into a savings account, it has to pay you interest. The amount of interest is usually shown as a percentage of the money borrowed.

A cash advance is a very expensive kind of credit. When you add up the fees, service charges, and the interest, a cash advance can cost you 500% to 600% of the money you get!

Money math

Let's say you borrow $100 from a cash store and the cash store charges you 500% of your loan. How do you figure out the total amount you will have to pay back?

1. Multiply the percentage by the amount of money that you borrowed.

500	x	$100	=	50,000
the percentage		the amount of money you borrowed		

2. Divide the answer by 100.

50,000	/	100	=	$500

3. Add the cost of the fees to the amount you borrowed.

$100	+	$500	=	$600

Borrowing $100 from this cash store means you have to pay back $600. That's a lot of money!

What's my situation?

Question	Yes	No	I don't know
1. I keep money in a **savings account**. I respect myself by adding to it whenever I can.	❑	❑	❑
2. I have a **chequing account** and I use it.	❑	❑	❑
3. I understand the fees my bank charges for different things.	❑	❑	❑
4. I read my bank statements or check them online regularly to help me understand my money.	❑	❑	❑
5. I pay bills online.	❑	❑	❑
6. I use my bank's app to check my account online.	❑	❑	❑
7. I use a bank or credit union to send money to family or friends.	❑	❑	❑
8. I only take out a loan if I have a plan to pay it off.	❑	❑	❑
9. I use cash stores.	❑	❑	❑
10. I visit websites to learn more about financial services and products for my family to show my responsibility to others.	❑	❑	❑
11. I talk with my family or friends about money.	❑	❑	❑

A **Government of Canada** cheque is a cheque issued to you from the federal government. Here are some examples of Government of Canada cheques:

- Employment Insurance
- GST/HST credit
- Income tax refund
- Canada Child Benefit
- Old Age Security

True or false?

A Canadian bank must cash your Government of Canada cheque for free, even if you're not a customer.

Let's talk about it

- **Where do you cash your Government of Canada cheques?**
- **Do you pay someone to cash your cheques?**
- **How much do you pay?**

A **customer service** representative is a bank worker who can help you open a bank account or cash a cheque.

Your money rights

1. You have the right to cash your Government of Canada cheque for free

2. You can cash a Government of Canada cheque for free at any bank

3. You can cash your Government of Canada cheque at any bank in Canada that has a **customer service representative**

4. If your Government of Canada cheque is for more than $1,500, a bank can decide not to cash it

How to cash a cheque

Q: What do I need to cash my Government of Canada cheque at a Bank?

Bring one piece of **photo identification** (ID) and the cheque to the customer service representative.

Q: What if I don’t have photo ID?

You can cash your Government of Canada cheque by showing two other pieces of ID.

Q: What if I don’t have two other pieces of ID?

Someone can vouch for you by telling the bank that you are the person whose name is on the cheque. The bank needs to know this person.

Helpful words

Photo ID is a piece of identification that has your photo and your signature on it.

A driver's license or passport are examples of **photo ID**.

Let’s talk about it

- What can make it hard to get some kinds of IDs?
- What kinds of IDs do you and your group members have? Make a list.
- Could these kind of IDs be used to cash a cheque at a bank?

Kinds of ID

	Photo ID:
☐	A Canadian driver's license
☐	A Canadian passport
☐	A Certificate of Indian Status card
☐	A Permanent Resident card
	Other kinds of ID:
☐	A Social Insurance Number (SIN) card
☐	A Canadian birth certificate
☐	An Old Age Security card with my SIN on it
☐	A debit card or bank card that has my signature on it
☐	A Certificate of Canadian Citizenship or Certification of Naturalization
☐	An Immigration, Refugees and Citizenship Canada form IMM 1000, IM 1442, or IM 5292

Don't have ID? Many cities have ID clinics. Ask someone at a local legal clinic or community centre if they know about an ID clinic that can help you. You can also try searching online for "ID clinic" and the name of your city.

Meet Kelly

Kelly has two children, a three-year-old son and a baby girl. She receives a monthly Canada Child Benefit cheque. Kelly is thinking about starting a savings account for extra things the kids will need as they get older. She plans to deposit her Canada Child Benefit cheque into the savings account each month.

But Kelly doesn't have any extra money right now. She thinks she has to wait to open the savings account until she has some extra money to put in it.

Let’s talk about it

- Does Kelly need to wait until she has extra money open a savings account?
- Imagine Kelly doesn’t have a job. Does that mean the bank won’t let her open a savings account?
- Imagine Kelly has had money struggles before, and had to declare bankruptcy. Does that mean the bank won’t let her open an account now?

Your money rights

Under Canadian law, you have the right to open a bank account. You can open an account even it:

1. You don’t have a job.
2. You don’t have money to put into the account right away.
3. You have declared bankruptcy before.

Let’s talk about it

- Is it hard to open a bank account?
- Do you have a bank account?
- How did you open your bank account?

Step by step

Which steps will Kelly need to take to open up her bank account?

1. Kelly needs to go in person to the bank of her choice.

2. She needs to show the bank her ID.

Kinds of bank accounts

1. **A savings account**: This account helps you save money. You'll earn interest on the money you put into this kind of account.

2. **A chequing account**: This account lets you write cheques, pay bills, and do other personal money tasks. You won't earn very much (or any) interest on the money in a chequing account.

Remember, bank accounts are products like anything else you might buy! Shop around for them by looking at different banks. Compare the perks and prices for each bank's types of accounts. Make sure you're getting the best account for you.

Let’s talk about it

- What kind of bank account is best for you? Why?
- Do you have a bank account right now? Does it work well for you? Or would something work better?

Low-cost bank accounts

One type of bank account is a low-cost bank account. You'll pay a fee to have this kind of account, but you'll get some benefits. This kind of account usually includes a maximum number of **transactions** you can make each month.

A **transaction** is when money moves into or out of your bank account.

What will I get with a low-cost bank account?

- As many free deposits as you like
- A **debit card**
- A book of cheques
- A statement or bank book that shows your transactions each month.
- A small number of free **debit transactions** per month.

A **debit card** is a card that lets you pay for things electronically directly from your bank account. For example, you can buy something at a store.

A **debit transaction** is any time you take money out of your account. For example, writing a cheque, using a bank machine, or paying with a debit card at a store.

What else can you do at a bank?

- Account statement
- Direct deposit
- Online banking
- International money transfer or wire payment
- Credit cards
- Loans for cars and homes

Many banks offer packages of these different services: you pay a monthly fee and get a bunch of things. Read about the packages carefully so you can choose the package that makes the most sense for your life. That way, you won’t pay extra fees for services you don’t need.

Choosing a bank

Things to think about when choosing a bank:

- Does the bank have branches and bank machines near my home, school, or work?
- What are the bank's hours?
- What are the fees for the account I want?
- How much interest will I earn on my savings account?
- Can I write a cheques? Do I pay a fee to write a cheque? Does it cost me money to order cheques?
- Will I pay extra if I use a different bank's machine? How much
- Are the bank's customer service representatives friendly and willing to answer my questions?
- Can I get information about my account online?
- Is there an app for online banking?

It’s important to feel good about where you keep your money. Pick a bank where you feel like you are treated well and with respect. If anything about the bank or the customer service representative makes you uncomfortable, you can leave or ask to talk to someone else.

Choosing a bank

Which three services are most important to you?

1._____
2._____
3._____

Questions to ask the bank

What do you want to know before you set up an account?

1._____
2._____
3._____

Be prepared

Brainstorm a list of questions that a customer representative might ask you. Then write down your answers.

Q._____
A._____
Q._____
A._____
Q._____
A._____

Online banking

Here are some things you can do with **online and mobile banking**:

- Check your bank account activity and balance
- Pay your bills
- Move money between your bank accounts
- Send money to other people using **e-transfers**

Online banking is when you use your bank account on a computer connected to the internet.

Mobile banking is using a tablet or smartphone to do your banking, sometimes using an app.

An **e-transfer** is when you send money to someone else over the internet using a computer, a tablet, or a smartphone.

Let’s talk about it

- What are some of the reasons you might prefer to use online banking?
- What are some of the reasons you might prefer to visit the bank in person?
- Does one of these options seem better for you?

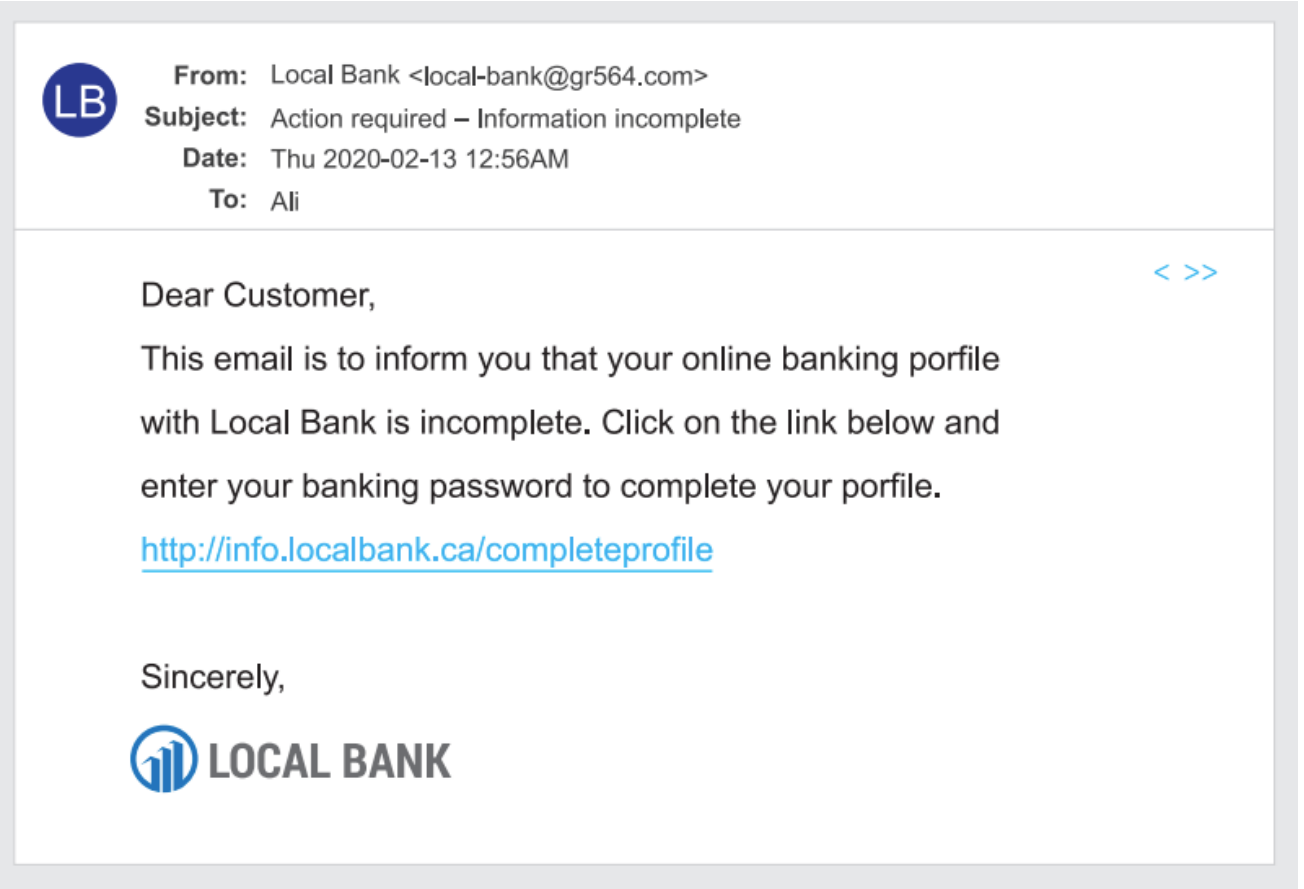
Phishing scams

- A **scam** is an illegal plan to trick people and steal from them

- **Phishing** is a scam that uses email, phone calls, or text messages. Phishing scams try to steal personal information from you. They usually pretend to be from someone you trust, like a family member, or your bank.

Phishing scams

Here’s an example of a phishing email:



LB

From: Local Bank <local-bank@gr564.com>
Subject: Action required – Information incomplete
Date: Thu 2020-02-13 12:56AM
To: Ali

< >>

Dear Customer,

This email is to inform you that your online banking porfile with Local Bank is incomplete. Click on the link below and enter your banking password to complete your porfile.

http://info.localbank.ca/completeprofile

Sincerely,

LOCAL BANK

How can you tell if the email is phishing?

1. Sometimes phishing emails don’t use your name
2. Phishing emails often have mistakes in them
3. Phishing emails usually ask you for personal information
4. Phishing emails might send you to a website where they will steal your personal information
5. Phishing emails try to look like they’re really coming from your bank, or another trusted source

Let’s talk about it

- Can you think of any other clues that an email is phishing?
- Have you ever gotten a phishing email or call? How did you know it was phishing?

Phishing scams

CR

From: Canada Revenue Agency <tax-refund@can.gov.agancy.com>
Subject: Tax Refund
Date: Fri 2020-02-28 03:15PM
To: Tax Payer

< >>

Canada Revenue Agency

Canada

Canada Revenue Agency

Dear Tax Payer,

After a review of your 2018 tax forms, we have determined that you are eligable for a tax refund of $362.58.

To claim your refund, fill out the form on the canada revenue agency website: http://canada-rev-agency.com.

Sincerely,

Canada Revenue Agency

Phishing scams

Here's what you should do if you think an email is a phishing scam:

- **Don't** reply to the email
- **Don't** share any information with the sender
- **Don't** open any attachments or click on any links in the email
- **Search** online for the organization's phone number. Contact the organization and ask if they sent you an email
- **Mark** the email as spam
- **Delete** the email

Online banking safety

Brainstorm some tips for keeping your money and your information safe when using online banking.

1. Only use your bank’s website or app for online banking
2. Don’t tell anyone your username or password
3.
4.
5.
6.

Making a strong password

It’s important to create a strong password when you sign up for online and mobile banking. A weak password is easy for someone else to guess. A strong password would be very hard to guess. A strong password has a mix of:

- numbers: 2, 67, 91
- small letters: c, g, k
- capital letters: F, Z, H
- symbols: !, $, #, ?

Don’t use the same password for multiple online accounts. That makes it easier for someone else to gain entry into your accounts.

Let’s talk about it

- Did you learn something new about banking that you didn’t know?
- Did anything surprise you?
- Do you feel more comfortable about using a bank?
- Is there anything else you’d like to learn that would increase your confidence about banking?

Money challenge

Visit or look up a bank close to where you work, live, or go to school. Does it offer what you want in a bank? If not, try another bank until you're satisfied.

Congratulations!

You learned about:

- Different banking options.
- Your rights related to bank accounts and cashing cheques.
- Some of the services available from banks.
- How to stay safe when banking online.

Lifelong learning

My pledge

I pledge to work on learning more about banking 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

You can contact the Financial Consumer Agency of Canada (FCAC) when you need help and information about banking.

Toll-free telephone: 1-866-461-3222
Website: www.fcac.gc.ca
Email: info@fcac.gc.ca