Welcome

Financial Skills I: Budgeting

Financial Skills I – Budgeting

The purpose of this course is to help you:

Understand the importance of managing your money.

- Determine your personal needs & wants.
- Learn how to develop a budget & make it work in the long-term.
- Develop your own financial budgeting system.
- Prepare for an emergency.

I Need a Budget!

- ☺ What is a budget?
- ☺ I do not need a budget because I have all I need.
- ☺ Why should I use a budget?

Reality Check
(page 5)

Part A	Always	Sometimes	Never
I know how much I make each month	[ ]	[ ]	[ ]
I have enough money to meet my basic needs	[ ]	[ ]	[ ]
I keep my agreements with people to whom I owe money	[ ]	[ ]	[ ]
I set financial goals	[ ]	[ ]	[ ]
I save for the things I want to buy	[ ]	[ ]	[ ]
I have extra money in my savings account	[ ]	[ ]	[ ]
I know how much money I have in my bank account(s)	[ ]	[ ]	[ ]
I have a budget and stick to it	[ ]	[ ]	[ ]
I know what to do if I spend more than I earn	[ ]	[ ]	[ ]
I am satisfied with my financial situation	[ ]	[ ]	[ ]
I have a plan to become debt–free	[ ]	[ ]	[ ]
Part B			
I spend more than I earn	[ ]	[ ]	[ ]
I lend money to friends and family	[ ]	[ ]	[ ]
I run out of money before I receive my next pay cheque	[ ]	[ ]	[ ]
I have bills that are overdue because of insufficient funds	[ ]	[ ]	[ ]
I worry when I don't have enough money	[ ]	[ ]	[ ]
I make late payments	[ ]	[ ]	[ ]
I only pay the minimum amount on my bills	[ ]	[ ]	[ ]
I borrow money from my friends and family when I run short	[ ]	[ ]	[ ]
I buy things I don't need	[ ]	[ ]	[ ]

In **Part A** – Always or Sometimes = Quite Good
In **Part B** – Always or sometimes = Needs some Changes

What is Going Well
What is Not Going Well

(page 6)

I know I am handling my money well because:

____

____

____

____

____

____

I would like to improve the way I handle my money by:

____

____

____

____

____

____

Control

(page 7)

Different uses of money?	Problems that arise when there is not enough money?

The Blame Game

(page 7)

Why don't I have as much money as I want:

1) ______________________________

2) ______________________________

3) ______________________________

4) ______________________________

5) ______________________________

6) ______________________________

How can I make changes?

1) ______________________________

2) ______________________________

3) ______________________________

4) ______________________________

5) ______________________________

6) ______________________________

Let’s Talk Terms!

(page 8)

☺ Needs are ______________________________

____

☺ Wants are ______________________________

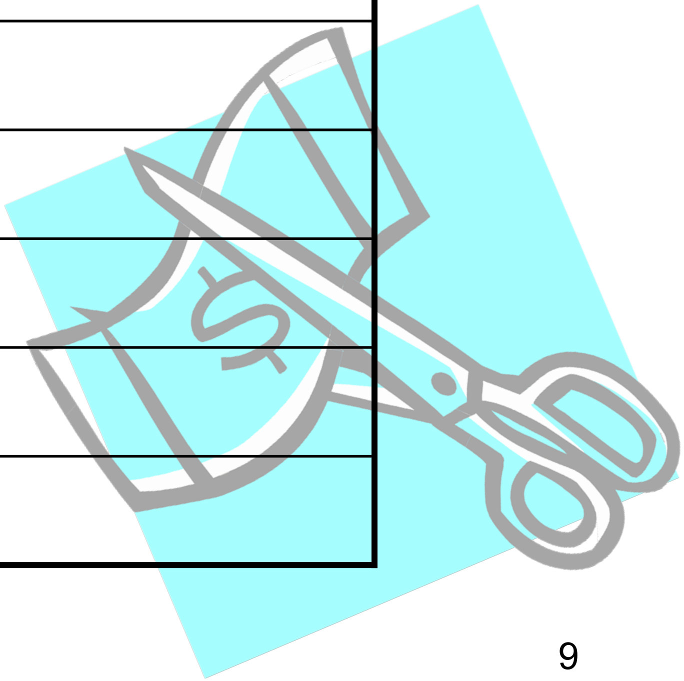
____

☺ What is the difference?

Needs & Wants

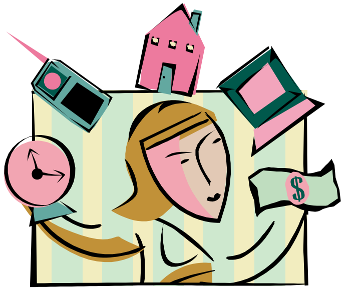
(page 8)

Needs	Wants



Deciding!

(page 9)



☺ Essentials are ______________________________

____

☺ Non-essentials are __________________________

____

☺ How do you prioritize?

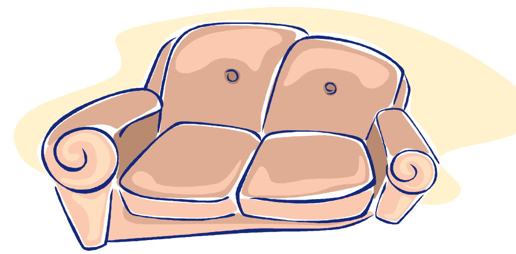
Daniel and Frieda

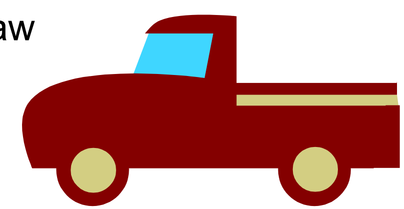
(page 9)

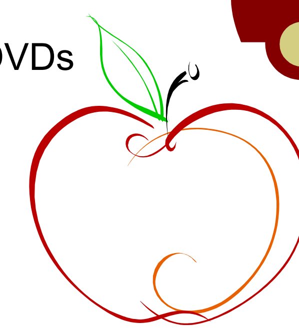
What should they pay for first?

1 is the most important – 10 is the least important

	NEEDS		WANTS
____	Food	____	New clothes for Frieda
____	Gas/Taxi	____	New furniture
____	Electricity	____	Vacation
____	Snowmobile Payment	____	Truck
____	Cable/Satellite/Internet	____	Laptop computer, etc.
____	Diapers/formula	____	Boat for Daniel
____	Rent	____	Video game console/games
____	Cigarettes	____	Birthday gift for Mother in-law
____	Telephone	____	Cell phone
____	Entertainment	____	Music/Movie DVDs

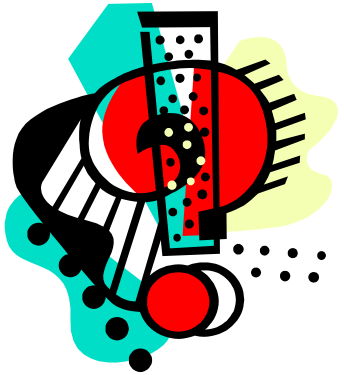






Let’s Talk Terms!

(page 10)



☺ Values are ________________________________

____

☺ Goals are ________________________________

____

☺ Are my values and goals linked?

Needs & Wants = Values

Needs & Wants	Values
Truck	
Birthday Present	
Snowmobile	
Update Computer Skills	
Beading Courses	
Pay the Rent	

Values & Goals

(SG page 10)

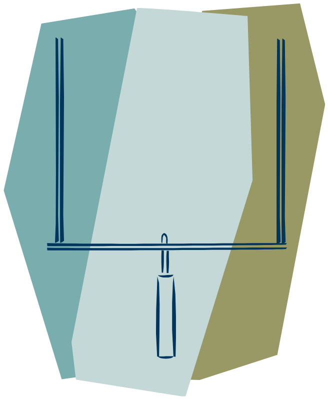
How do values reflect my Needs and Wants?

My three most important Values are:

1. ______________________________

2. ______________________________

3. ______________________________



Setting Financial Goals

(SG page 11)

Goals must be:

1. Specific

____

____

____

2. Measurable

____

____

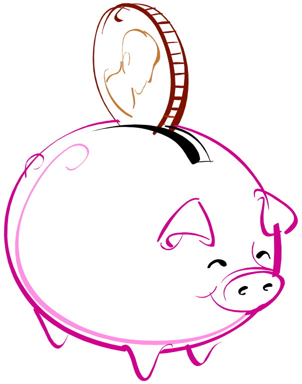
____

3. Believable (Realistic)

____

____

____



At different times of our life, different things become important to us.

Understanding Income!

(page 12)

Talking Terms:

$ Gross Income is ______________________________

$ Net Income is ______________________________

$ Pay Statement is ______________________________

$ Record of Employment (ROE) is ______________________________

$ T4 Slip is ______________________________

Personal Financial Documents

(page 13)

Pay Statements

Employer Community of Bragg Creek

Address: P.O. Box 257
Bragg Creek NT, X0X 1R1

Pay Period: 04/092012 - 04/20/2012

Pay Date: 04/27/2012

Employee Brandy Maddison

Employee ID:123ABC

Address: 521 Creek Ridge Road
Bragg Creek NT, X0X 1R0

Earnings	**Rate of Pay**	**Hours**	**Current**	**Year to date**
Regular	$ 25.00	75	$ 1,875.00	$ 15,000.00

Deductions		
Federal Tax:	$ 300.65	$ 2,405.20
NWT Payroll Tax:	$ 37.50	$ 300.00
CPP	$ 92.81	$ 742.50
EI	$ 34.31	$ 274.50
UNION	$ 33.00	$ 264.00
Total Deductions	$ 498.28	$ 3,986.20
Net Pay	**$ 1,376.73**	**$ 11,013.80**

Personal Financial Documents

(page 14)

T4 Slip

Canada Revenue Agency / Agence du revenu du Canada

T4

STATEMENT OF REMUNERATION PAID
ÉTAT DE LA RÉMUNÉRATION PAYÉE

Year / Année: 2011

Employer's name – Nom de l'employeur: Community of Bragg Creek

14	Employment income – line 101 / Revenus d'emploi – ligne 101	48,750.00
22	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	7,816.92
54	Payroll Account Number (15 characters) / Numéro de compte de retenues (15 caractères)	996787123RP0001
10	Province of employment / Province d'emploi	NT
16	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	2,217.60
24	EI insurable earnings / Gains assurables d'AE	
12	Social insurance number / Numéro d'assurance sociale	123 654 789
28	Exempt – Exemption: CPP/QPP, EI, PPIP / RPC/RRQ, AE, RPAP	
29	Employment code / Code d'emploi	
17	Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308	
26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	
18	Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	786.76
44	Union dues – line 212 / Cotisations syndicales – ligne 212	858.00
20	RPP contributions – line 207 / Cotisations à un RPA – ligne 207	
46	Charitable donations – see over / Dons de bienfaisance – voir au verso	
52	Pension adjustment – line 206 / Facteur d'équivalence – ligne 206	
50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso	
56	PPIP insurable earnings / Gains assurables du RPAP	

Employee's name and address – Nom et adresse de l'employé

Last name (in capital letters) – Nom de famille (en lettres moulées)	First name – Prénom	Initials – Initiales
MADDISON	BRANDY	J

521 Creek Ridge Road
Bragg Creek, Northwest Territories
X0X 1R0

Other information (see over) / Autres renseignements (voir au verso)

Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant

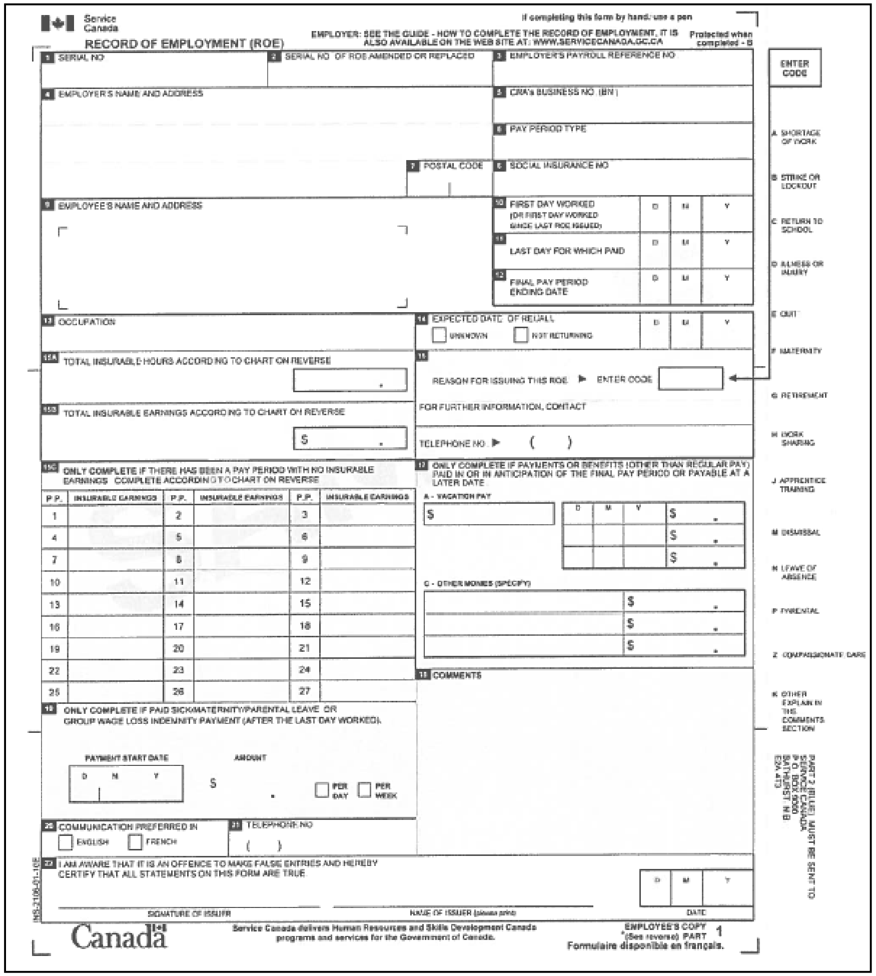
T4 (10)

Privacy Act, Personal information Bank number CRA PPU 005, 150 and 125 / *Loi sur la protection des renseignements personnels*, Fichier de renseignements personnels numéro ARC PPU 005, 150 et 125

Personal Financial Documents

(page 15)

Record of Employment (ROE)



Service Canada

RECORD OF EMPLOYMENT (ROE)

If completing this form by hand, use a pen

EMPLOYER: SEE THE GUIDE - HOW TO COMPLETE THE RECORD OF EMPLOYMENT. IT IS ALSO AVAILABLE ON THE WEB SITE AT: WWW.SERVICECANADA.GC.CA

Protected when completed - B

1 SERIAL NO

2 SERIAL NO. OF ROE AMENDED OR REPLACED

3 EMPLOYER'S PAYROLL REFERENCE NO

4 EMPLOYER'S NAME AND ADDRESS

5 CRA's BUSINESS NO (BN)

6 PAY PERIOD TYPE

7 POSTAL CODE

8 SOCIAL INSURANCE NO

9 EMPLOYEE'S NAME AND ADDRESS

10 FIRST DAY WORKED (OR FIRST DAY WORKED SINCE LAST ROE ISSUED) D M Y

11 LAST DAY FOR WHICH PAID D M Y

12 FINAL PAY PERIOD ENDING DATE D M Y

13 OCCUPATION

14 EXPECTED DATE OF RECALL D M Y

UNKNOWN NOT RETURNING

15A TOTAL INSURABLE HOURS ACCORDING TO CHART ON REVERSE

15B TOTAL INSURABLE EARNINGS ACCORDING TO CHART ON REVERSE $

16 REASON FOR ISSUING THIS ROE ▶ ENTER CODE

FOR FURTHER INFORMATION, CONTACT

TELEPHONE NO ▶ ( )

ENTER CODE

A SHORTAGE OF WORK
B STRIKE OR LOCKOUT
C RETURN TO SCHOOL
D ILLNESS OR INJURY
E QUIT
F MATERNITY
G RETIREMENT
H WORK SHARING
J APPRENTICE TRAINING
M DISMISSAL
N LEAVE OF ABSENCE
P PARENTAL
Z COMPASSIONATE CARE
K OTHER EXPLAIN IN THIS COMMENTS SECTION

15C ONLY COMPLETE IF THERE HAS BEEN A PAY PERIOD WITH NO INSURABLE EARNINGS. COMPLETE ACCORDING TO CHART ON REVERSE

P.P.	INSURABLE EARNINGS	P.P.	INSURABLE EARNINGS	P.P.	INSURABLE EARNINGS
1		2		3	
4		5		6	
7		8		9	
10		11		12	
13		14		15	
16		17		18	
19		20		21	
22		23		24	
25		26		27	

17 ONLY COMPLETE IF PAYMENTS OR BENEFITS (OTHER THAN REGULAR PAY) PAID IN OR IN ANTICIPATION OF THE FINAL PAY PERIOD OR PAYABLE AT A LATER DATE

A - VACATION PAY $

D	M	Y	
			$.
			$.
			$.

C - OTHER MONIES (SPECIFY)

	$.
	$.
	$.

18 COMMENTS

19 ONLY COMPLETE IF PAID SICK/MATERNITY/PARENTAL LEAVE OR GROUP WAGE LOSS INDEMNITY PAYMENT (AFTER THE LAST DAY WORKED)

PAYMENT START DATE D M Y

AMOUNT $. PER DAY PER WEEK

20 COMMUNICATION PREFERRED IN ENGLISH FRENCH

21 TELEPHONE NO ( )

22 I AM AWARE THAT IT IS AN OFFENCE TO MAKE FALSE ENTRIES AND HEREBY CERTIFY THAT ALL STATEMENTS ON THIS FORM ARE TRUE

SIGNATURE OF ISSUER NAME OF ISSUER (please print) DATE D M Y

PART 2 (BLUE) MUST BE SENT TO SERVICE CANADA P.O. BOX 9000 BATHURST, NB E2A 4T3

INS-2106-01-10E

Canada

Service Canada delivers Human Resources and Skills Development Canada programs and services for the Government of Canada.

EMPLOYEE'S COPY (See reverse) PART 1

Formulaire disponible en français.

https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/ei-roe.html

Service Canada

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4 EMPLOYER'S NAME AND ADDRESS

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10 FIRST DAY WORKED (OR FIRST DAY WORKED SINCE LAST ROE ISSUED) D M Y

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14 EXPECTED DATE OF RECALL D M Y
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15A TOTAL INSURABLE HOURS ACCORDING TO CHART ON REVERSE

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TELEPHONE NO. ▶ ( )

15C ONLY COMPLETE IF THERE HAS BEEN A PAY PERIOD WITH NO INSURABLE EARNINGS. COMPLETE ACCORDING TO CHART ON REVERSE

P.P.	INSURABLE EARNINGS	P.P.	INSURABLE EARNINGS	P.P.	INSURABLE EARNINGS
1		2		3	
4		5		6	
7		8		9	
10		11		12	
13		14		15	
16		17		18	
19		20		21	
22		23		24	
25		26		27	

17 ONLY COMPLETE IF PAYMENTS OR BENEFITS (OTHER THAN REGULAR PAY) PAID IN OR IN ANTICIPATION OF THE FINAL PAY PERIOD OR PAYABLE AT A LATER DATE

A - VACATION PAY $

D	M	Y	
			$
			$
			$

C - OTHER MONIES (SPECIFY)

	$
	$
	$

18 COMMENTS

19 ONLY COMPLETE IF PAID SICK/MATERNITY/PARENTAL LEAVE OR GROUP WAGE LOSS INDEMNITY PAYMENT (AFTER THE LAST DAY WORKED)

PAYMENT START DATE D M Y

AMOUNT $

PER DAY PER WEEK

20 COMMUNICATION PREFERRED IN
ENGLISH FRENCH

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SIGNATURE OF ISSUER

NAME OF ISSUER (please print)

DATE D M Y

ENTER CODE

A SHORTAGE OF WORK
B STRIKE OR LOCKOUT
C RETURN TO SCHOOL
D ILLNESS OR INJURY
E QUIT
F MATERNITY
G RETIREMENT
H WORK SHARING
J APPRENTICE TRAINING
M DISMISSAL
N LEAVE OF ABSENCE
P PARENTAL
Z COMPASSIONATE CARE
K OTHER EXPLAIN IN THE COMMENTS SECTION

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INS-2106-01-10E

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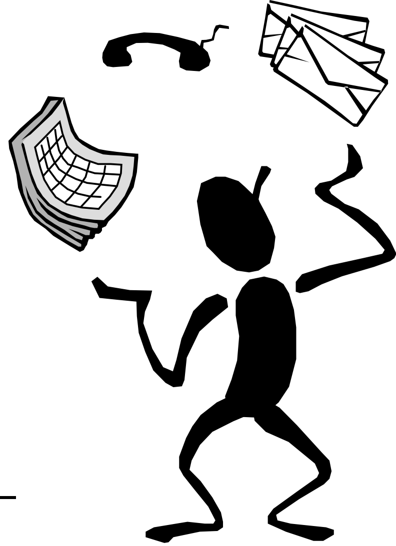
Formulaire disponible en français.



Building a Budget

(page 16)

Monthly Income – Fill In Your Information Here

Your Take home pay (Net amount Only)	$ __________
Partner's take home pay	$ __________
Other income (gov't cheques, interest, etc)	$ __________
Part-time Job	$ __________
	$ __________
	$ __________
TOTAL MONTHLY INCOME (NET)	$ __________

Budgeting an Irregular Income

(page 17)

1. Determine your monthly income.
2. Separate your money.

OR

3. Open two bank accounts.

4. Set up a list for Priority Spending.

Jenessa's Story

(page 18)

Jenessa's Income for the past 12 months:

Jan. – Apr.	$16,000.00	(Camp cook)
May – Sept.	$6,000.00	(EI Benefits)
Oct. – Dec.	$12,000.00	(Camp Cook)
Jan. – Dec	$2,000.00	(Catering jobs)

Total income: ______________________________

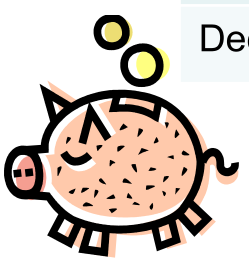
Total income divided by 12 = Average monthly income

____________________ = $ ________________ per month

Jenessa's monthly bills. Number these items from 1 – 11 in order of importance.

Cigarettes	______________
Rent	______________
Telephone bill	______________
Utilities	______________
Groceries	______________
Water bill	______________
Cable/Satellite	______________
Liquor	______________
Child care	______________
Truck Payment	______________
Gas	______________

Month	Job	Earnings	Chequing	To/From	Savings
January	Cook	4,000	1,000	3,000	**3,000**
February	Cook	4,000	1,000	3,000	**6,000**
March	Cook	4,000	1,000	3,000	**9,000**
April	Cook	4,000	1,000	3,000	**12,000**
May	EI	1,200	3,000	1,800	**10,200**
June	EI	1,200	3,000	1,800	**8,400**
July	EI	1,200	3,000	1,800	**6,600**
August	EI	1,200	3,000	1,800	**4,800**
September	EI	1,200	3,000	1,800	**3,000**
October	Cook	4,000	1,000	3,000	**6,000**
November	Cook	4,000	1,000	3,000	**9,000**
December	Cook	4,000	1,000	3,000	**12,000**



Where Does the Money Go?

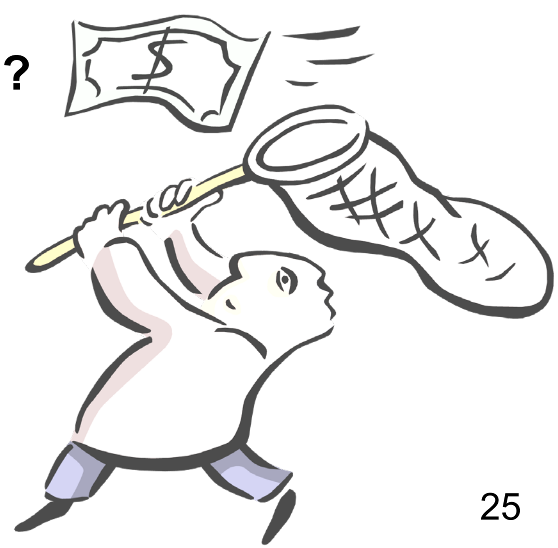
(page 19)

Talking Terms:

$ Fixed Expenses are ________________________________

$ Variable Expenses are ________________________________

$ Is it important to keep track of my expenses?



Personal Money Plan?

(page 20)

Income	Current	Budget	Actual	Difference
Take Home Pay				
Benefits (gov't cheques)				
Other				
Total Income				
Basic Home Needs (variable & fixed)				
Rent or Mortgage Payment (including taxes)				
Power				
Heat (gas/oil/propane/wood)				
Services (water/sewer/garbage)				
Property taxes				
Home/Tenant Insurance (monthly cost)				
Maintenance & Repairs (monthly)				
Total Cost				
Transportation (variable & fixed)				
Insurance & Registration (monthly)				
Maintenance & Repairs (monthly)				
Gas & Oil				
Taxi or Public Transportation				
Total Cost				
Living Expenses (variable)				
Groceries				
Clothing and Accessories				
Child Care (day & evening)				
Beverages (alcohol, beer, wine, coffee)				
Phone (land line)				
Cell/Smart Phone				
Cigarettes/Cigars				
Entertainment/Eating Out (newspapers, videos, etc)				
Cable/Satellite/Internet				
Charitable Donations				
Personal Care (glasses, haircuts, prescriptions, etc)				
Other (allowances, sports, clubs, etc)				
Total Cost				
Regular Monthly Payments (variable & fixed)				
Loans or Line of Credit				
Charge Accounts/Credit Cards (monthly payment)				
Vehicle Loan/Lease Payment				
Other (furniture, appliances, computer)				
Emergency Fund				
Savings: Goal 1				
Savings: Goal 2				
Savings: Goal 3				
Total Payments				
Total Monthly Income				
Total Monthly Expenses				
Difference				

Tracking Finances

(page 21)

Is Your Money Plan Working?

To see if your money plan is working, each month you will need to review your actual income and expenses and compare them to your Personal Money Plan goal amounts. When you first start to create your budget, adjustments will be required. Do not get discouraged. It will come together.

What are some ways you can keep track of how much you are spending?

1. ____________________________________

2. ____________________________________

3. ____________________________________

4. ____________________________________

5. ____________________________________

Spending Tracker

(page 22)

Date	1	3	4	8	15	16	18	20	21	28	29	31	Total
Rent or Mortgage Payment	1800.00												1800.00
Power													
Heat (gas/oil/propane/wood)													
Services (water/sewer/garbage)													
Property Taxes													
Home/Tenant Insurance													
Home Maintenance & Repairs													
Vehicle Insurance & Registration													
Vehicle Maintenance & Repairs													
Gas & Oil													
Taxi or Public Transportation													
Groceries													
Clothing & Accessories													
Child Care													
Beverages (liquor etc)													
Phone													
Cell/Smart Phone													
Cigarettes & Cigars													
Entertainment & Eating Out													
Cable/Satellite /Internet													
Charitable Donations													
Personal Care													
Other (allowance, sports, etc)													
Loan or Lines of Credit													
Credit or Charge Cards													
Vehicle Loan or Lease													
Other Credit													
Emergency Fund													
Goal 1													
Goal 2													
Goal 3													
Total	1800.00												

Daniel and Frieda's Spending Tracker

(page 22)

Date	1	3	4	8	15	16	18	20	21	28	29	31	Total
Rent or Mortgage Payment	1800.00												1800.00
Power				127.00									127.00
Heat (gas/oil/propane/wood)													
Services (water/sewer/garbage)													
Property Taxes													
Home/Tenant Insurance													
Home Maintenance & Repairs													
Vehicle Insurance & Registration	48.75												
Vehicle Maintenance & Repairs													
Gas & Oil	15.00								35.00				50.00
Taxi or Public Transportation							15.00						15.00
Groceries		380.78				385.73					104.49		871.00
Clothing & Accessories													
Child Care													
Beverages (liquor etc)								28.52					28.52
Phone		60.10											60.10
Cell/Smart Phone													
Cigarettes & Cigars													
Entertainment & Eating Out (book, mag etc)			5.94						40.00				45.94
Cable/Satellite /Internet			109.01										109.01
Charitable Donations													
Personal Care													
Other (allowance, sports, etc)										20.00			20.00
Loan or Lines of Credit													
Credit or Charge Cards													
Vehicle Loan or Lease					450.00								450.00
Other Credit					100.00								100.00
Emergency Fund												50.00	50.00
Goal 1												25 00	25.00
Goal 2												25.00	25.00
Goal 3												50.00	50.00
Total	1863.75	440.88	114.95	127.00	550.00	385.73	15.00	28.52	75.00	20.00	104.49	150.00	**3875.32**

Personal Money Plan?

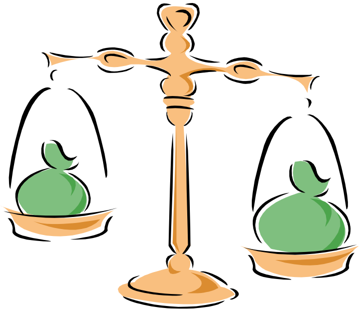
(page 22)

Income	Current	Budget	Actual	Difference
Take Home Pay		4,100	4,100	
Benefits (gov't cheques)				
Other				
Total Income		4,100	4,100	
Basic Home Needs (variable & fixed)				
Rent or Mortgage Payment (including taxes)		1800.00	1800.00	
Power		150.00	127.00	
Heat (gas/oil/propane/wood)				
Services (water/sewer/garbage)				
Property taxes				
Home/Tenant Insurance (monthly cost)				
Maintenance & Repairs (monthly)				
Total Cost		**1,950.00**	**1927.00**	
Transportation (variable & fixed)				
Insurance & Registration (monthly)		50.00	48.75	
Maintenance & Repairs (monthly)				
Gas & Oil		75.00	50.00	
Taxi or Public Transportation			15.00	
Total Cost		**145.00**	**113.75**	
Living Expenses (variable)				
Groceries		900.00	871.00	
Clothing and Accessories		25.00		
Child Care (day & evening)		25.00		
Beverages (alcohol, beer, wine, coffee)		50.00	28.52	
Phone (land line)		75.00	60.10	
Cell/Smart Phone				
Cigarettes/Cigars				
Entertainment/Eating Out (newspapers, videos, etc)		50.00	45.94	
Cable/Satellite/Internet		110.00	109.01	
Charitable Donations				
Personal Care (glasses, haircuts, prescriptions, etc)		50.00		
Other (allowances, sports, clubs, etc)		20.00	20.00	
Total Cost		**1,280.00**	**1,134.57**	
Regular Monthly Payments (variable & fixed)				
Loans or Line of Credit				
Charge Accounts/Credit Cards (monthly payment)		100.00	100.00	
Vehicle Loan/Lease Payment		450.00	450.00	
Other (furniture, appliances, computer)				
Emergency Fund		50.00	50.00	
Savings: Goal 1 **DVD Player**		25.00	25.00	
Savings: Goal 2 **T.V.**		25.00	25.00	
Savings: Goal 3 **Savings**		50.00	50.00	
Total Payments		**725.00**	**700.00**	
Total Monthly Income		4,100.00	4,100.00	
Total Monthly Expenses		4,100.00	3875.32	
Difference				

Personal Money Plan?

(page 22)

Income	Current	Budget	Actual	Difference
Take Home Pay		4,100	4,100	
Benefits (gov't cheques)				
Other				
Total Income		4,100	4,100	
Basic Home Needs (variable & fixed)				
Rent or Mortgage Payment (including taxes)		1800.00	1800.00	
Power		150.00	127.00	23.00
Heat (gas/oil/propane/wood)				
Services (water/sewer/garbage)				
Property taxes				
Home/Tenant Insurance (monthly cost)				
Maintenance & Repairs (monthly)				
Total Cost		**1,950.00**	**1927.00**	**23.00**
Transportation (variable & fixed)				
Insurance & Registration (monthly)		50.00	48.75	1.25
Maintenance & Repairs (monthly)				
Gas & Oil		75.00	50.00	25.00
Taxi or Public Transportation		20	15.00	5
Total Cost		**145.00**	**113.75**	**31.25**
Living Expenses (variable)				
Groceries		900.00	871.00	29.00
Clothing and Accessories		25.00		25.00
Child Care (day & evening)		25.00		25.00
Beverages (alcohol, beer, wine, coffee)		50.00	28.52	21.48
Phone (land line)		75.00	60.10	14.90
Cell/Smart Phone				
Cigarettes/Cigars				
Entertainment/Eating Out (newspapers, videos, etc)		50.00	45.94	4.06
Cable/Satellite/Internet		110.00	109.01	.99
Charitable Donations				
Personal Care (glasses, haircuts, prescriptions, etc)		50.00		50.00
Other (allowances, sports, clubs, etc)		20.00	20.00	
Total Cost		**1,280.00**	**1,134.57**	**170.43**
Regular Monthly Payments (variable & fixed)				
Loans or Line of Credit				
Charge Accounts/Credit Cards (monthly payment)		100.00	100.00	
Vehicle Loan/Lease Payment		450.00	450.00	
Other (furniture, appliances, computer)				
Emergency Fund		50.00	50.00	
Savings: Goal 1 **DVD Player**		25.00	25.00	
Savings: Goal 2 **T.V.**		25.00	25.00	
Savings: Goal 3 **Savings**		50.00	50.00	
Total Payments		**725.00**	**700.00**	
Total Monthly Income		4,100.00	4,100.00	
Total Monthly Expenses		4,100.00	3875.32	
Difference		0	**224.68**	**224.68**



Making Changes!

(page 23)

What are some of the changes you think they could make?

1. ______________________________
2. ______________________________
3. ______________________________
4. ______________________________
5. ______________________________
6. ______________________________
7. ______________________________
8. ______________________________
9. ______________________________
10. ______________________________

Watching the Balance!

(page 24)

What are some of the ways you can keep track of your account balance?

1. ______________________________

2. ______________________________

3. ______________________________

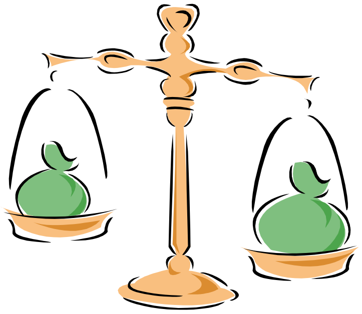
4. ______________________________

5. ______________________________

6. ______________________________

7. ______________________________

8. ______________________________



Your Financial Filing System

(page 25)

Your Financial Filing System

Now that you've decided to **TAKE** control of your money, you need an effective tracking system to help you **KEEP** control!

The folders you should have are:

1) ____

2) ____

3) ____

4) ____

5) ____

6) ____

7) ____

8) ____

9) ____

10)____

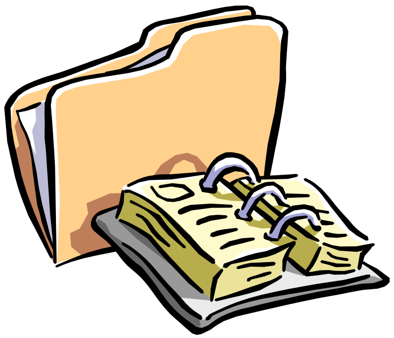
11)____

12)____

What Do I Keep?

(page 26)

Keeping adequate records is important. Certain Financial documents need to be kept for a period of time. Some examples are:



Financial documents and income tax (Only receipts for things claimed.)	7 years
Bank Statements	7 years
Other Bills (Until last payment received.)	Month to month
Insurance Policies	While in force
Government Correspondence	7 years
Loans & Mortgages	Until repaid
Finance Contracts	Until repaid
Warranties & Manuals	As long as you own the item
Receipts for Major Appliances	As long as you own the item

What else should you keep?

1. ____

2. ____

3. ____

4. ____

5. ____

Avoid Identity Theft
Everything else can go in the paper shredder!

Getting a Grip!

(page 27)

Talking Terms:

$ Gross Debt Service Ratio (GDS): ______________________________

$ Total Debt Service Ratio (TDS): ________________________________

GDS and TDS Formula:

GDS= $\frac{\text{(Monthly Housing Expenses) x 100}}{\text{Gross Monthly Income}}$ = should be less than **30%**

TDS= $\frac{\text{(Monthly Housing Expenses + Other debts) x 100}}{\text{Gross Monthly Income}}$ = should be less than **40%**

Note:

Even if you fall below these percentages it is always better to think before buying. Decide if it is a **NEED** or a **WANT** and is it really that important to have it!

Personal Spending Habits!

(page 28)

Poor Spending Habits	Possible Solutions

What Happens if I Don't Pay?

(page 28)

Consequences

When getting a service or making a purchase on credit. Every person has a duty to pay for what they receive. What are some of the things that could happen if I don't pay?

1. ______________________________________

2. ______________________________________

3. ______________________________________

4. ______________________________________

5. ______________________________________

6. ______________________________________

7. ______________________________________

Payday Loans?

(page 28)

Comparing the cost of a $300 loan, taken for 14 days[1]

	Payday loan	Cash advance on a credit card	Overdraft protection on a bank account	Borrowing from a line of credit
Interest	—	$2.13	$2.42	$1.15
	+	+	+	+
Applicable fees	$50.00	$2.00	—[2]	—
	=	=	=	=
Total cost of loan	**$50.00**	**$4.13**	**$2.42**	**$1.15**
Cost of the loan expressed as a percentage of the amount borrowed[3]	435% per year	36% per year	21% per year	10% per year

1. The costs and fees shown in these examples are for illustration purposes only.

2. The monthly service fee you pay for your banking service package often covers any processing fees for overdraft protection. To be sure, check your account agreement or talk to your financial institution.

3. This is an estimate of the annual cost of the loan. This is calculated by adding together all of the fees, charges and interest charged after 14 days, and projecting this cost over a one-year period. Although the cost is expressed as a percentage of the amount borrowed, it does not represent the annual interest rate.

Information taken from the financial Consumer Agency of Canada:

https://www.canada.ca/en/financial-consumer-agency.html

Being Prepared

(page 29)

Having an Emergency Fund is key to being prepared for those issues that surprise you. What are some actions you could take to develop your personal of family emergency fund?

1. ______________________________

2. ______________________________

3. ______________________________

4. ______________________________

5. ______________________________

6. ______________________________

7. ______________________________

8. ______________________________

Wills, Estates and Insurance

(page 30)

Talk Terms!

- Estate is ______________________________

- Executor is ______________________________

- Public Trustee is ______________________________

WILLs are important because: ______________________________

____

Insurance is important because: ______________________________

____

It is a Family Affair

(page 31)

- Make at least one goal with which your whole family agrees.
- Give a weekly allowance to your children.
- If your teenager works, help them create a Personal Money Plan.
- If there is a bank in your community, have your child open a Bank Account.

Financial Skills I – Budgeting

The purpose of this course was to help you:

- ☺ Understand the importance of managing your money.
- ☺ Determine your personal needs & wants.
- ☺ Learn how to develop a budget & make it work in the long-term.
- ☺ Develop your own financial tracking system.
- ☺ Prepare for an emergency.

Congratulations