

# MONEY SMART YOUTH

## Making Money Decisions

### Consider Your Values

"Values" are your beliefs, morals, attitudes, and decisions that make up your character. Your values play a big role in the decisions you make about money. Your values are influenced by things like friends, trends, traditions, advertising, and emotions.

### Your Money, Your Goals

People are different, so are goals. Deciding what you want to focus your attention on really depends on what's important to you. What do you want to work towards? What will help you reach those short or long-term goals.

### People Change, Goals Change

As you go through life, your priorities and focus might shift. Your goals have to be flexible so they can change with you as you change. If you and your goals do a full 180-degree turn, that's okay! Adjust and keep going!



## Making Money

### EMPLOYMENT INCOME VS.

- You get **paid by an employer**
- Your **wage or salary** is influenced by things like your level of education or experience, and the demand for workers in that particular industry
- **Might include benefits** like paid sick or vacation time, or extended health benefits or a group pension plan
- **Automatic deductions** are taken from your paycheck for future expenses like income tax, Canada Pension Plan, Employment Insurance, etc.

### SELF-EMPLOYMENT

- You get **paid directly by consumers** for services or products you provide
- The amount of **money you earn** is influenced by things like your business plan, the demand or popularity of what product or service you offer, and your work ethic
- You have the **freedom to choose** what to do with profit, but also have the **responsibility to plan** for future expenses like income tax, extended health care, and retirement savings.

## Saving Money

Where should you keep your hard-earned cash? For most youth, it's important that you start saving your money for the many expenses that come along with adulthood, like paying for education, a car, or a house. So... where do you put your savings?

### Bank Accounts

There are a few different types of bank accounts, and you should research each of them to see what's the best fit for you. Compare options offered by financial institutions. Ask about any fees that are charged, minimum balances required for the account, and what rate of return the account could give you. The most common types of bank accounts include:

1. Basic Savings Account
2. Youth Savings Account
3. High Interest Savings Account
4. Registered Savings Account (RESP, RRSP, TFSA)
5. Saving Tips

Once you have somewhere to put your saved money, now you need to actually save the money – easier said than done sometimes. Here's a few tips to help!

- Have **TWO bank accounts**, one for saving and one for regular spending
- Set **realistic** savings goals
- Plan your spending **based on your income**
- Only bring what you can spend with you, and leave your **bank card at home**

## Borrowing Money

At some point in your life, you will need to borrow money. It's not a bad thing – it's actually a good thing! Borrowing money helps you to build your credit score, and helps you to practice financial responsibility. Start small and work your way up.

### Types of Credit

- **Credit Cards:** to be used for every day purchases, but they have high interest rates so pay them off after each use
- **Loans:** could be a student loan to pay for education costs or an auto loan to pay for a vehicle purchase, where the payment amount is a set amount paid on a continuing basis until paid off
- **Line of Credit:** re-usable credit that's usually used for larger purchases that you need more time to pay off

### Establishing Credit

You start establishing your credit score the first time you get credit. Having good credit means that you'll have an easier time borrowing money in the future. To build your credit score...

- Pay off credit cards in full ASAP
- Use less than 30% of your credit limit
- Make all loan or LOC payments on time
- Have at least two different types of credit, like one credit card and one loan

## Questions

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### Disclaimer

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# BUDGETING MONEY

MONTHLY EXPENSES	
<b>Housing</b>	Mortgage/Rent Maintenance/Fees Property Tax Home Insurance Repairs Cable/Internet Home/Cell Phone Streaming Service Electricity Water Heating
<b>Living Expenses</b>	Groceries Take Out Coffee/Snacks Clothing Footwear Hygiene Products Laundry Medications Medical Services Pet Food/Supplies Vet Services
<b>Commute/Transport</b>	Car Payment Auto Insurance Fuel Parking Maintenance Transit Passes Taxi/Rideshares
<b>Personal</b>	Memberships Subscriptions Self-Care (hair, etc.) Entertainment Gifts/Donations Student Loan Payments Other Debt Payments Savings Contributions Other Other Other
<b>Total Expenses</b>	\$ _____

MONTHLY INCOME
Employment Income, after deductions:
Other:
Total:
\$ _____

**Budgets are meant to be changed to meet your needs.**

**If your expenses are greater than your income, look for areas to cut back on expenses or ways to increase your income.**

**This budget sheet is simply a guideline. Adjust it as needed to properly reflect your current income and expenses.**

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