Almost everything you ever needed to know but were afraid to ask about personal finances, presented in a simple, clear, organized, easy-to-read & easy-to-use way.
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Bank and Credit Union Services

Opening a Credit Union or Bank Account

- You can open a bank or credit union account even if you are unemployed, bankrupt, or have no money to put in right away.

- To open an account you will need to bring two pieces of identification. One must be government ID, like your driver’s license, Social Insurance Number (SIN) Card, Health Card, Permanent Resident Card, etc.

- Shop around. There are many different kinds of accounts at different institutions. Services and fees vary. Ask about account packages and services.

- You can get money out easily at the teller, at the ATM, or with your debit card.

Safety

Banks and credit unions are safe places to keep your money. They are regulated and must have deposit insurance, so you will not lose your money.
Bank and Credit Union Services

**Savings accounts** allow you to earn a small amount of interest on your savings, but the fees are often higher for transactions (paying bills, withdrawing, depositing, etc.)

**Chequing accounts** are better for paying bills and making withdrawals. They usually don’t earn interest, but transaction fees are lower.

**Most accounts offer:**
- Telephone and internet banking
- A debit card for ATM (automatic teller machine) access and retail purchases
- Direct deposit of government cheques or your paycheque
- Preauthorized or automatic bill payments
- Preauthorized or automatic transfers to savings

**Other services:**
- Mortgages
- Personal/student loans
- Credit cards
- Free cashing of federal government cheques
- Money orders
- Certified cheques
- Wiring money

**Do you qualify?**
Some institutions have free or low cost services for seniors, students, youth, newcomers and people with disabilities. Be sure to ask!

**Bank/Credit Union Statements**
- Banks and credit unions can make mistakes. Check your bank statements, passbook or online account regularly (at least once per month). If money has come out or gone in that you can’t account for, contact your bank/credit union right away.
- Be aware of the fees you are paying. Does your bank/credit union have a deal that would be better for you, given the services you use?

**Banking Problem?**
If you have a problem that the teller can’t fix, try:
1. The manager;
2. The Bank’s Customer Service line;
3. For credit unions, the credit union’s CEO, or the ombudsman: Credit Union Central of Atlantic Canada. Call (902) 453-4456 or email ombudspersonservice@atlanticcentral.ca;
4. The bank’s Ombudsman (if they have one);
5. The Ombudsman for Banking Services and Investments Call 1-888-451-4519 or email ombudsman@obsi.ca

**Cheques**
- **Void cheques** are used to give your account information to set up direct deposit, so an employer or the government can put your money directly into your account. Don’t sign the cheque or write in any amounts. Just write the word VOID in big letters across the middle of an ordinary cheque.
- You write a **post-dated cheque** by writing a date in the future instead of today’s date. The cheque cannot be cashed until that future date or after. Many landlords ask renters for cheques post-dated for the beginning of each month.
- If you need to cancel a cheque that you have written and given to someone, ask the bank for a **stop payment**. To do this you need to tell them the cheque number, date, payee, and exact amount of the cheque. Act fast; if the cheque has already gone through it may be too late. There are no guarantees.
- With a **certified cheque**, the bank/credit union guarantees that the cheque will be paid by taking the money out of your account for the cheque right away. You can have a cheque certified at the teller.
Bounced Cheques

If you write a cheque and there is not enough money in your account to cover it, your cheque will "bounce" (the payment won't go through). You will be charged a Not Sufficient Funds (NSF) fee of around $40 - $50, unless you have overdraft protection. The person or business you wrote the cheque to may also be charged a fee, and charge you.

Cashing Cheques

- When someone writes you a cheque, make sure that they have filled it out correctly and signed it.
- Once you endorse (sign on the back of) a cheque written to you, anyone can deposit it; it is safest to wait until you are at the teller or ATM before you endorse it.
- You will need ID to cash a cheque at a teller.
- Most stores will not cash a cheque for you.

Some private companies offer payday loans and cheque-cashing services. While they can be convenient, they are very expensive compared to a bank or credit union.

Remember: It is free to cash government cheques at banks and credit unions, even if you don’t have an account.

IMPORTANT - Never send cash by mail!
Your employer must give you a T4 slip before the end of February each year. It shows all of your pay and deductions. Keep it: you will need it to do your taxes!

**Taxes**

- Tax must be paid on most income over a basic amount (called the exemption level). You do not have to pay taxes on many government benefits, gifts or inheritances. The government uses tax money to pay for roads, schools, hospitals, government services, benefit programs and many other things.

- Canada uses a progressive tax system: the more you make, the higher the percent of your income you pay.

- If your employer deducts more taxes than you owe, you will get a tax refund the following year.

- If you own a business, work as a contractor, or collect rent money on property you own, you must send these deductions in yourself - you do not get a T4.

- After you file your taxes you will get a Notice of Assessment confirming your tax amounts and explaining any changes. Keep it for your records.

- Tax deductions (like union dues or some child care expenses) are money that you subtract from income you’ve earned to decrease the amount you have to pay income tax on.

- Tax credits (like tuition amounts, the amount you can claim for a child, etc) reduce the amount of money you owe in taxes.

- Your total income, tax credits and tax deductions are used to calculate if you owe taxes, or if you will get a refund.

- Refunds pay you back for any extra tax you have paid. You can get your refund as a cheque, or set up direct deposit.

**Why file your taxes on time?**

You cannot get many government benefits, or any tax refund, until you have filed your taxes.

If you are late filing your taxes, you will be charged interest on any money you owe.
Getting Your Taxes Done

- You must file your taxes and submit any tax payment before **April 30th**. The self-employed can file up to June 15th, but must still pay by April 30th.
- The Canada Revenue Agency (CRA) can mail you the forms, but you must now request them. You can get tax forms between February and May at Service Canada, the post office or online from Canada Revenue Agency.
- The CRA has a list of free online tax programs at [http://netfile.gc.ca/menu-eng.html](http://netfile.gc.ca/menu-eng.html)
- Tax return companies will do your taxes for a fee.
- You are responsible for your tax return, even if someone else prepares it for you. Never sign a blank tax return.
- Some communities have programs that will do your tax for free - may depend on your income (see Community Volunteer Income Tax Program in *At Your Fingertips*).
- If you have a question about your taxes, call the Canada Revenue Agency (see *At Your Fingertips*).
- If you think the CRA’s assessment is wrong, you can ask for a reassessment, or a formal review.
- If you think you were treated unfairly or unprofessionally by the CRA, and their Complaints Department doesn’t help you, you can contact the Taxpayers’ Ombudsman.
- **Beware:** the “Instant Tax Refunds” that some businesses offer are actually a kind of loan on money you might get for your tax refund. They will take 20-30% of your refund in fees, and you may still end up owing money.

**Papers and forms:**

- Information slips from your employer (T4 slips)
- Information slips from the bank (T5 slips)
- Post secondary education information slips (T2202A)
- Any tax-related papers you receive from the government

**Official receipts for:**

- Employment expenses: If you have to spend your own money for equipment, tools, and supplies to do your work, and your employer does not reimburse you (pay you back), you can claim those expenses
- Union or professional dues
- Public transit monthly passes
- Registered Retirement Savings Plan (RRSP) contribution slips
- Child care receipts
- Moving expenses, if you moved at least 40 km to be closer to work or school
- Medical expenses, like prescription drugs, dentist, glasses, private health insurance (if you didn’t get receipts, ask them to print receipts for you)
- Children’s sports and arts activities
- Income tax you paid in another country
- Donations to Canadian charities or political parties

By filing your taxes online and setting up direct deposit, you can get your tax refund in as little as 8 business days.

If your employer won’t give you a T4, talk to Revenue Canada.

If you are **self-employed**, keep a record of your **income** and **all expenses** paid to create that income.

Ask Revenue Canada Agency, or the person or organization helping you with your taxes, if there are any other slips or receipts that you need.
Bank and Credit Union Services

Record keeping

<table>
<thead>
<tr>
<th>Papers</th>
<th>Shelf Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birth certificates and other ID</td>
<td>Keep for life</td>
</tr>
<tr>
<td>Social Insurance card</td>
<td>Keep for life</td>
</tr>
<tr>
<td>Monthly bills with confirmation of payment</td>
<td>Keep for at least one year</td>
</tr>
<tr>
<td>Receipts for major purchases</td>
<td>Keep until past return date or warranty date</td>
</tr>
<tr>
<td>Warranties and guarantees for items you buy</td>
<td>Keep until the warranty expires</td>
</tr>
<tr>
<td>Medical receipts</td>
<td>Keep for at least two years. You may be able to use them for your tax return</td>
</tr>
<tr>
<td>Bankbooks and statements</td>
<td>Keep for at least a year</td>
</tr>
<tr>
<td>Unused cheques or copies of cancelled cheques</td>
<td>One year or six years if used as receipts for tax purposes</td>
</tr>
<tr>
<td>Investment papers and statements</td>
<td>Keep for as long as you own the investment</td>
</tr>
<tr>
<td>Credit card statements</td>
<td>Keep minimum one year; or seven if used as a record of expenses for tax purposes</td>
</tr>
<tr>
<td>Leases (lease to buy), loan and mortgage papers</td>
<td>Keep until paid off. Keep the receipt of final payment</td>
</tr>
<tr>
<td>Tax returns, notices of assessment, tax-related receipts</td>
<td>Keep for six years</td>
</tr>
<tr>
<td>Insurance papers</td>
<td>Keep for the life of the insurance policy</td>
</tr>
<tr>
<td>Final will and testament</td>
<td>Keep for life</td>
</tr>
</tbody>
</table>

Make sure that you shred or destroy papers with personal information (like your social insurance number, banking information, etc.) before you throw them away.

Budgeting

Making a Money Action Plan

Budgeting is:
- Knowing how much money you have coming in (income)
- Knowing how much money you have going out (spending)
- Making sure you have your basic needs (food, shelter, etc) covered
- Planning how to spend or save the rest

Why track your money?
- Take back control over where your money is going
- Peace of mind from having a plan that works
- Feels good and builds confidence
- To have money for what’s important to you
- Ignoring your situation can cost you even more money!
Budgeting
Making a Money Action Plan

Budgeting when you have a good income

- People with larger incomes often still spend as much as they are making (or more), and end up in trouble.
- Wealthier people can afford to make more mistakes... but why lose money you don’t need to lose?
- You may not always have lots of money. Life happens! Do you have enough savings to get you through an interruption in your income?

Budgeting when you have no money - why bother?

- Budgeting is even more important when you have less!
  - You can’t afford to make the mistakes more wealthy people make all the time. A budget helps you avoid mistakes.
  - Having a budget gives you more credibility when you ask for help. (It shouldn’t be that way, but it is)
  - Knowing you have a plan to get by can give you peace of mind.

Don’t Forget:

Seasonal and irregular expenses
- Winter tires, winter boots, sun block, Christmas, Easter and birthday gifts, income tax, property tax, insurance fees, etc.

Savings
- Have a cushion, and save for goals!

Do you have enough savings to get you through an interruption in your income?

Online Budget Sheets

Interactive budget sheets on the computer do the math for you. They also let you adjust your action plan easily.

- You can do your budget online or download a budget sheet from the Antigonish Women’s Resource Centre Money Matters website at www.antigonishwomenscentre.com/money-matters.htm.
- Another online or downloadable budget calculator is available at: http://www.fcac-acfc.gc.ca/eng/resources/toolCalculator/budgeting/index-eng.asp
- Or try the Simple Budget Worksheet (scroll down to Downloads) http://yourmoneyca/tools/
- For students: go to http://www.thetu.ca/?q=finance/budget/studentfee and select ‘On Campus’ or ‘Off Campus’ from the menu at the left.
- Or search for budget sheets online, and pick one that works for you.

You will also find a budget worksheet in Appendix A of this booklet.

REMEMBER:
Budgeting is NOT about giving up the good things in life. It is about making sure you can get the good things that are most important to you, by making them part of your plan!
Budgeting
Making a Money Action Plan

Saving on Low or Fixed Income
Saving on minimum wage or on income assistance is next to impossible. Even though people with low incomes are often very skilled at stretching their dollars, sometimes saving is impossible. But with time, a small amount (even a couple dollars) every week, or every month, can make a big difference.

If you are on income assistance: Find out how much you can keep in your bank account before any of your benefit is reduced. Know how much you are allowed to earn before you are cut back (see the Nova Scotia Community Services website).

The Importance of Having a Cushion

Mary is a single mom with a low income. Her 4-year-old daughter got sick and had to spend 2 nights in the hospital. Mary had the unexpected expense of having to buy 6 meals at the hospital cafeteria. She has no budget for eating out.

Mary has an $80 cushion saved. The extra expense eats up $50 of her cushion, but she gets by and can focus on her child during this crisis.

Save $2/week for 6 months, and you’ll have $52 saved up.
Save $5/week for 6 months, and you’ll have $130 saved up.

Credit
The Good and the Bad

What is credit?
- When you use credit, you are borrowing money.
- When you get credit, you sign a contract to repay what you have borrowed, along with any interest and/or fees that are part of the agreement.

Is credit good or bad?
Having credit is like having a car. A car can be a very useful tool that can open up opportunities for you – help you get a job, travel, get to appointments, etc… But if you don’t follow basic rules and drive it recklessly, you can get yourself in a lot of trouble, even get yourself killed...

Like a car, credit can be a very useful tool if you follow basic rules and use it carefully. You can buy a home, a car, get an education. You may get rewards points, air miles, insurance, etc. But use it recklessly and it can cause you years of hardship, trouble and stress.
Co-signing a Loan

Be extremely cautious about co-signing or guaranteeing a loan for someone else. If they go through hard times and do not make their payments, you may have to pay the full amount, plus interest.

Secured Loans

With a secured loan, the lender has a **lien** on what you bought with the loan. That means the lender can take what you bought and sell it if you don’t pay back the loan.

Before you sign anything:

*Always read the fine print!*

If you don’t understand what you are about to sign, keep asking questions until you do understand. It is the salesperson’s job to explain it to you.

You have the right and the responsibility to understand what you are signing.
Credit
The Good and the Bad

Before you get a credit card:
Shop around! Do your research. Compare interest rates, fees, benefits and rewards programs.

Know how you will use the card, and don’t forget to read the fine print!
- It is worth $50 in fees to get $200 worth of rewards (products/services) that you would be buying anyway.
- It is not worth $50 in fees to get $20 in rewards.
- It is not worth $50 in fees to get $200 worth of rewards you don’t need or want. E.g., if you never travel, then don’t pay an extra fee for a card to get travel insurance.

How a credit card works:
When you pay with your credit card, you owe that amount of money. If you pay it all back before the end of the grace period, you will not have to pay interest. If you don’t pay it all within the grace period, you will carry a balance (owe money) and you will have to pay interest.

Remember:
A credit card is not free money. If you don’t pay it off in full each month, it is very expensive money!

Once you have your credit card:
ALWAYS CHECK YOUR STATEMENTS
Mistakes can happen. You might accidentally be charged twice for a purchase (it happens!) Or someone might have stolen your credit card number.

If someone is using your credit card without your permission, or if your credit or debit card is lost or stolen, CALL THE BANK OR CREDIT CARD COMPANY RIGHT AWAY. Once you call them you won’t be charged if your card is used by someone else.

Credit Card Terminology

Annual fee: A yearly fee you pay on some credit cards. Cards with fees usually come with benefits. How will you be using the card? Will the benefits outweigh the fees for you?

Annual Percentage Rate (APR): The interest you owe on the amount you don’t pay in full by the due date each month.

Grace period: The time you have to pay the balance before you are charged interest. It is at least 21 days. If you don’t pay within the grace period, you get charged interest from the moment you bought the item (not from the end of the grace period!)

Credit Limit: The highest amount of money you can borrow on your credit card.

Pre-paid Credit Card: Actually not a credit card. Does not build your credit history. Beware of fees.

Minimum payment: Smallest amount you must repay each month. It is usually between 2% and 10% of what you owe. At minimum payments it can take decades to pay off your debt, and you will pay a lot in interest charges (see section on cost of credit - Pg 25).

Cash advance: Lets you get cash out on your credit card. Beware: there is usually no grace period, and the interest rate is often higher, and charged by the day.

Rewards programs and benefits: Many credit cards let you collect points, air miles, get discounts, cash back bonuses, etc. Some offer car rental, travel and life insurance. Cards with benefits like these often have annual fees. Will you pay more in fees than you get back in rewards? Sometimes yes, sometimes no; always check.

Introductory Interest Rate: Credit card companies sometimes offer a low interest rate at the beginning, to convince you to sign up. Be sure to find out how much you will be paying in interest after the introductory period.
Payday Loans:
- Short-term cash loans.
- Offered by private businesses.
- High fees, high interest rates; cost comparable to an annual interest rate of 300-600%.

"No payments, no interest"
Don’t get caught!
If you don’t pay in full by the one-year deadline, you will have to pay:
- The full amount...
- Plus ALL the interest from the time you got the item...
- At a VERY HIGH interest rate.

Rapid Refund Tax Services:
- Basically a loan on your refund.
- They may take up to 30% of your refund!
- Did you know: if you set up automatic deposit, you can have your tax refund in 10 days no matter who does your taxes, if they are done online.

Expensive Money: The Cost of Credit
Credit can be free, or can be very expensive.
Look carefully at the following table:
- Which is the cheapest way of buying on credit?
- Which is the most expensive?

Notice that some forms of credit can be very cheap or very expensive, depending on how you use them.

Comparing Costs of Credit: $1000 purchase

<table>
<thead>
<tr>
<th>Payment Method</th>
<th>Item Cost</th>
<th>Tax (12%)</th>
<th>Interest and fees</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$1000</td>
<td>$120</td>
<td>$0</td>
<td>$1120.00</td>
</tr>
<tr>
<td>Buy now, pay in 1 year - pay balance in full on time</td>
<td>$1000</td>
<td>$120</td>
<td>$50 set-up fee</td>
<td>$1170.00</td>
</tr>
<tr>
<td>Buy now, pay in 1 year - pay full balance one week late (28% interest from date of purchase)</td>
<td>$1000</td>
<td>$120</td>
<td>$50 set-up fee, $373.09 interest</td>
<td>$1543.09</td>
</tr>
<tr>
<td>Buy now, pay in 1 year - start paying $100/month after due date</td>
<td>$1000</td>
<td>$120</td>
<td>$50 set-up fee, $765.52 interest</td>
<td>$1935.52</td>
</tr>
<tr>
<td>Credit card - pay in full by due date</td>
<td>$1000</td>
<td>$120</td>
<td>$0</td>
<td>$1120.00</td>
</tr>
<tr>
<td>Credit card - minimum payments at 20% interest</td>
<td>$1000</td>
<td>$120</td>
<td>$3083 interest, 26 years 4 months</td>
<td>$4083.97</td>
</tr>
<tr>
<td>Rent to own - weekly fee, buy out at end of contract</td>
<td>$1000</td>
<td>$3.60/week</td>
<td>$30/week rental, $100 buy-out</td>
<td>$1747.20</td>
</tr>
</tbody>
</table>
**Remember this about interest:**

**Interest is money lost**
You get nothing back for the interest you pay, except for the initial convenience of not having to pay right away.

For some things, like a car, mortgage, education, etc., paying interest may be a worthwhile investment - but it is best to reduce the amount of interest you pay whenever possible.

**Interest is an extra expense**
If you have debts, you may be paying a lot of interest each month on top of your regular living expenses. This is especially true if you are making minimum payments: most of each payment goes to pay interest and not toward lowering the amount you owe.

The more debt you pay off, the less you pay in interest each month, and the more money you have for food, clothing, savings, anything you want!

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**Credit**
The Good and the Bad

**Debt**
Finding hope, getting free

If you’re in debt, you’re not alone.

- One in 5 Canadians feel they are in over their heads when it comes to debt.
- 65% say that debt is getting in the way of reaching their financial goals.

(Source: Certified General Accountants, 2008 Consumer Survey on Consumption and Debt)

**Good debt, bad debt, ugly debt**

**Good** – helps you earn more money, get opportunities. E.g., mortgage, student loan, business loan, car loan...

**Bad** – when you are still paying for something after it is long gone. E.g., when you use your credit card for eating out or to pay for your vacation. Best to avoid it.

**Ugly** – debt that costs you a lot of money because of a high interest rate, especially when it takes you years to pay it off. E.g., Payday loans, or making only minimum payments on a credit card. Avoid it!
Debt
Finding hope, getting free

Signs of Trouble:

- Late payments
- Make minimum payments only
- Use cash advances from one card to pay another
- Calls from collections
- One or more cards “maxed out”
- Don’t know how much you owe in total
- Missed payments
- Running out of money between cheques
- Phone, power or other service cut off
- Bounced Cheques
- You dread getting mail, answering the phone
- STRESS

If one or more of these applies to you, it may be time to get help. Life is too short to waste stressing out over money!

Debt
Finding hope, getting free

If you don’t pay:

- You will get calls, letters, etc. from your creditor’s “Overdue Accounts” Department. If they can’t get the money from you, they may hand your file over to a collections agency.
- Collections agencies are private companies that specialize in getting people to pay what they owe. They usually get a commission on the money they get from you. They know how to pressure you – know your rights. See Advocating for Yourself and Others, pg. 42.
- Late and unpaid bills affect your credit rating. This makes it harder and more expensive to borrow later. A bad credit rating can also mean you can’t get insurance, rent some apartments or get some jobs.
- Your creditor can take you to court and repossess what you bought on credit, or have your wages or tax credits garnisheed (taken before you get them).

Getting Out of Debt: Step-by-step instructions

STEP 1: Stop using credit.

STEP 2: List all your debts.

For each debt write down:

- The total you owe
- The minimum monthly payment
- The interest rate

STEP 3: Re-work your budget.

If you don’t have a budget, see pg. 15 on budgeting, and Appendix B. You might have to live cheaply for a while, take a second job if you can... whatever it takes.
Debt
Finding hope, getting free

STEP 4: Negotiate and consolidate
- Talk to your creditors directly; ask for lower interest rates on each debt.
- Consolidate if you can, get a lower-interest loan to pay off all of your higher-interest debts. Talk to someone at your bank or credit union.
- Don’t deal with and make payments to the collections agency and the original creditor at the same time; this can cause confusion.

Did you know?
You can sometimes negotiate a lower interest rate. Call and ask for a lower interest rate.

STEP 5: Make a debt repayment plan.
a) Find the debt with the highest interest rate.
b) Put minimum payments on everything else, and put the biggest payments you can on that highest-interest debt. Get rid of it first.
c) Once the highest rate debt is paid off, put every extra penny into the next highest interest rate debt, with minimum payments on the others.
d) Continue until they are all paid off.

Debt Repayment Tool online: http://cgi.moneycnn.com/tools/debtplanner/debtplanner.jsp

Always pay collection agencies by cheque or money order (and never by cash) so that you have a record of the payment. Always get a receipt!

STEP 6: Stick to your plan.
Stay organized. Use a calendar or automatic payments to make sure you pay on time and don’t miss things.

STEP 7: Credit counselling, debt repayment program.
- With a debt repayment program, the credit counsellor talks directly to your creditors. The calls from creditors will stop.
- Your debts are combined and you make one payment per month to the Debt Repayment Program. The Program then passes the money on to your creditors.
- You will have to pay your debts in full. Ask about any fees and services, and avoid credit counselling companies that ask for a big payment upfront.

STEP 8: Consumer proposal.
- You can do a Consumer Proposal through a Bankruptcy Trustee or through the Access Nova Scotia Debtor Relief Program.
- It is like a Debt Repayment Program, except that it stops Collections from garnisheeing your paycheque. The calls from creditors will stop.
- You may not have to pay the full amount you owe.

STEP 9: File for bankruptcy
- Bankruptcy is when you formally declare that you are unable to pay your debts.
- You must work with a bankruptcy trustee, and get credit counselling.
- The calls from creditors will stop.
- You will still have to make payments. You may have to sell valuable belongings. You may not have to lose your home or car - ask a trustee.

If Steps 1-6 are not enough, you may need professional help
Note: Steps 7-9 will affect your credit rating. But they may be worth it in the long run.

Also note: Bankruptcy is not your only option. Talk to a professional about which option is right for you.
**Do's**

- Talk to creditors - call them before the bill is due, or at least before they call you.
- If you have investments you could cash in, talk to a financial advisor about your options first. It may or may not be the right thing to do.
- Take a second job temporarily to get caught up, if you can.
- Keep a copy of all your cheques, receipts, money orders and letters.

**Don'ts**

- Don't let others make you feel bad.
- Don't gamble, that's a way into debt, NOT out.
- If things are bad, don't go it alone. Get support from understanding family, friends, and (if needed) professionals.
- Don't get high-interest loans to make payments in an emergency.
- Never mail cash!

**When talking to creditors:**

- Be honest and upfront.
- Let them know if you must miss a payment, and work out an arrangement to catch up. Tell them how much you can pay and when.
- Don't make promises you can't keep.
- Keep your cool – they will be more likely to help you. If they are still not helpful, ask for a supervisor.
- Record each conversation. Write down the date, time, company name, phone number, name of the person you talk to, what was said and what you agreed on.
- Ask for any agreements to be put in writing.

**Know your rights!**

See Advocating for Yourself and Others, pg. 42.

---

**Crisis Mode!**

**When the wolves are at the door...**

- **Don't panic!** It may take some time, but the crisis CAN and WILL be resolved.
- **Prioritize:** Shelter and food first. Collections for your cable bill may seem to be pressuring you more than your landlord... but to get through this, it's **basics first**, no matter what a collection agent says.
- **Talk to your creditors**, starting with the most basic needs. Explain the situation, work out arrangements.
- **Know your rights.** That will help you deal with pressure from collections agents (see Advocating for Yourself and Others, pg. 42)
- **Draw on community resources.** Find out about the food bank, emergency fuel fund, hot meal programs, counselling, credit counselling, etc. Many people find it embarrassing to ask for help, but those services are there because everyone needs help sometimes. If it helps, volunteer for the community organization once things get easier for you.
- **Draw on personal resources.** Talk to friends and family you trust. Focus on solutions instead of problems. Talk positively and encouragingly to yourself. Putting yourself down for past mistakes doesn’t solve the problem.
Basics: Bills to Pay First

Depending on your situation, you may change the order:

1. **Shelter** – your rent or mortgage. It is much harder to do what you need to do to resolve a crisis if you no longer have a home to work from. Almost always the #1 priority.

2. **Food** – you need to eat in order for your brain (thinking and emotions) to work properly. At a stressful time this is especially important. A clear head will help you resolve the crisis.

3. **Medications** – the importance may depend on the medication. Meds for life-threatening conditions and for mental illness are most important.

4. **Heat** – you need a minimum of heat, especially in winter. Having your pipes freeze will lead to still more expense. You can turn your heat down, though, and bundle up.

5. **Phone** – either landline or cell, not both. An important tool for keeping up communication to resolve your crisis.

6. **Transportation** – like car payments, bus fare. This is especially important if you need to get to work, to keep your income coming in.

**Wants** – like a cell phone in addition to a landline, cable, internet, eating out, etc.—need to wait until your basic needs are taken care of.

**Why Think About the Ads We See?**

Advertisers tell us – sometimes directly, often more subtly – that if we don’t buy their product we are not successful enough, good enough, smart enough, powerful enough, sexy enough, healthy enough, safe enough, or we will be rejected by others. They play on our most basic insecurities to get us to buy reactively and impulsively.

**Whether we like it or not, we are all affected by advertising.**

But by being aware of the tricks of the trade, we are less affected by advertising. And we are more free to buy **according to our values and needs**, rather than the values and needs of the most effective advertiser.
### Shopping in General
- **Shop around.** Compare prices—especially for big expensive items.
- **Buy things on sale.** But make sure it is a good deal. "Sale" doesn’t always mean "good deal".
- If something is a good deal, **buy extra** if you can—but only if it is something you need and will use, and only if it won’t go bad before you can use it up.
- **Check unit prices** to compare prices (see next page).
- **Read the fine print.** Make sure you understand it. If you don’t, have the sales person explain it until you do. You have the right; it is YOUR money!
- **Keep your receipts.** Make sure you were not overcharged, or double-charged, and that you got the sale price on sale items. For large items, keep the receipt for as long as the warranty lasts.
- **Try out local thrift stores, flea markets, yard sales, and websites** to buy things you need. But make sure they are in good condition and that they work before you buy them, because there will likely be no refund! Be wary buying any electric appliances ‘new’ at flea markets—they may not be up-to-code or safe.
- **Ask about return policies** before you buy.

### Know the Marketing Tricks
Did you ever notice how:
- The milk is in the back so you’ll have to walk past piles of other products to pick it up.
- The products the store makes the most money from are at your eye level—except for toys and candy which are at your children’s eye level.
- They pump the smell of bakery throughout the grocery store to trigger your hunger while you are shopping.
- Impulse buys are concentrated near the cash register to tempt you while you wait in line.

### Finding the Better Deal: Comparing Unit Prices

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit Price Calculation</th>
<th>Final Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk A</td>
<td>$3 ÷ 1 litre = $3 per litre</td>
<td></td>
</tr>
<tr>
<td>Milk B</td>
<td>$4.50 ÷ 2 litres = $2.25 per litre</td>
<td></td>
</tr>
<tr>
<td>Socks A</td>
<td>$3.75 ÷ 3 pairs = $1.25 per pair</td>
<td></td>
</tr>
<tr>
<td>Socks B</td>
<td>$12.50 ÷ 8 pairs = $1.56 per pair</td>
<td></td>
</tr>
<tr>
<td>Cereal A</td>
<td>$3.75 ÷ 675g = $0.005 per gram</td>
<td></td>
</tr>
<tr>
<td>Cereal B</td>
<td>$2.50 ÷ 350g = $0.007 per gram</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit Price Calculation</th>
<th>Final Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Juice A</td>
<td>99¢ ÷ 1 box = 99¢/box</td>
<td></td>
</tr>
<tr>
<td>Juice B</td>
<td>$8 ÷ 12 boxes = $0.666 per box</td>
<td></td>
</tr>
</tbody>
</table>

- **Milk B** is cheaper... unless it spoils before you get through it.
- **Socks A** are cheaper; it is not always cheaper to buy bulk.
- **Cereal A** is cheaper, but **Cereal B** is healthier. Nutrition-wise, **Cereal B** is the better deal!
Educated Consumer
Making the most of your money

Grocery Shopping Tips:
- Have a budget, and stick to it!
- Plan a weekly menu. Use flyer specials to decide on meals. Use your menu to make your grocery list.
- If you live far from the store, your list will help you avoid missing things and having to make extra trips.
- If you can, buy and freeze meat in portions when it is on special.
- Stick to your grocery list.
- Don’t shop hungry.
- Don’t buy sale items you won’t use.
- Don’t buy in bulk what you don’t eat in bulk.
- Plan an impulse buy: Treat yourself with a bit of the money you have saved.

Educated Consumer
Making the most of your money

Getting a Cell Phone

Pre-paid Cards
- No unexpected charges
- No long-term commitments
- No fees to stop using the phone
- Higher cost per minute than contracts
- Have to keep track of your minutes
- If you don’t buy more minutes before the expiry date, you may lose minutes you have paid for
- You don’t get a list of your calls in and out

Contracts
- You get a bill to review your usage
- Lowers cost of buying cell phone
- Bundle services and get discounts
- You can get a plan that suits you, lowers your costs
- Long-term financial commitment that is costly to break
- Can be expensive if you go over your minutes limit
- Can’t update your cell phone plan frequently

Before you begin, decide: How will you be using your cell phone? For emergencies only or every day? How much long distance will you use? Will you be texting, checking email, going online, using apps? Don’t pay for features/services you don’t want or need.

Be sure to shop around!

Compare different providers, and different plans.

Questions to ask
- How long is the contract? What are the penalties for leaving it?
- In what geographic areas will the cell phone work?
- How much are system access fees, add-on fees, 911 access fee, etc?
- How much are caller ID/call display, voicemail, call waiting, apps and games, other features?
- How many minutes per month will you get for weekdays, for evenings, for weekends? For long-distance? What time does “evening” start?
- How many text messages are included per month?
- What is the cost to use email and internet on the cell?
- Are there roaming charges? When/where?
- How long will the battery last before recharging? Before needing to be replaced?
- Are the screen and keypad easy to use?
- Will the phone break easily or is it durable?

Questions to ask

Once you have your cell phone, CHECK YOUR BILL REGULARLY.

Are you using as many minutes, sending/receiving as many text messages as you expected? Are your long distance charges higher than you expected? Would adjusting your plan lower your costs? Ask your provider.

Monitor your children’s cell phone use. Have clear rules!
Frauds and Scams

A scam or fraud is a deliberate lie that victimizes people. Never give out online or over the phone:

- Your pin, password or user ID
- Your date of birth
- Your social insurance number
- Your mother’s maiden name
- Your banking information

- Most frauds and scams happen through a partner or child finding or being given a PIN number.
- If you think a call might be real but you have doubts, tell them you will call them back. Look up the number yourself to make sure it is them.
- Scams often come as a letter, phone call or email offering an investment opportunity or saying you won a lottery or inherited money — and asking for your banking information. They can use this information to steal your identity, steal money from your account, or open credit cards in your name.
- Check out a company before you agree to anything with them.
- Beware of any service that requires you to pay an advance fee. You may get nothing in return.
- Check your bank and credit card statements regularly.
- Always find out if there are charges before calling, texting or downloading apps for your device.
- Only buy calling cards from companies you know and trust.
- Beware of work-at-home “opportunities”. Research the job and the company first. You may not get paid.
- If it seems too good to be true: it is probably a scam!

The bank or credit union will never call or email you asking to confirm your account number or passwords. If they do, IT IS NOT THEM — it is a fraud!

Online Banking Safety

- Make sure the web address starts with https:// and has the lock icon — that means the site is secure.
- Keep a close eye on your accounts — online banking can actually make this easier, which is a good thing.
- Only stay logged in for as long as you have to, and log out and close the browser when you’re done. If you want to surf some more, reopen the browser.
- Avoid accessing your online banking in places where people can look over your shoulder.
- Be careful not to leave statements that you print off lying around.

Online Banking Passwords

For passwords, avoid using:

- A password you use for some other service
- Your name, birth date, telephone number or address, or that of a close relative
- Your account number
- Your debit or credit card number

Debit/Credit Card Safety

- Make sure no-one sees you enter your PIN. Cover the keypad with your other hand. Never give anyone your PIN.
- Never keep your PIN in your wallet or purse.
- If something at the bank machine or interac doesn’t look right, don’t use it.
- If your debit or credit card is lost or stolen, call your bank, credit union or credit card company RIGHT AWAY! The bank, credit union or credit card company will usually cover your losses if someone misuses your card. But if you wait too long, or if they think you did not protect your PIN, they may not cover you.
Advocating for Yourself and Others

Knowing your rights

Dealing with Creditors and Debt Collection Agencies

**Important:**
If you did not sign the contract, you are not responsible for the debt!

**Your rights:**
- To **confidentiality**. They cannot discuss your debt with anyone other than you, your creditor or your co-signer (if someone co-signed your loan) without your permission.
- To ask to be contacted in writing only, or through a lawyer only. The calls will then stop.
- To ask for a statement of account.

**Creditor/collector’s rights:**
- To call you at home or at work.
- To call anytime after 8:00 AM and before 9:00 PM, except on Sundays and holidays in Nova Scotia.
- To contact your friends, employer, relatives, or neighbours, but **ONLY** to get your phone number or address.

**If you don’t owe the money, or owe less than they say:**
- Tell both the collections agency and the creditor that a mistake has been made. Talk to the creditor to sort out the mistake.
- Request a free copy of your credit rating from the Credit Bureaus: Equifax and TransUnion. The credit bureaus can investigate errors that affect your credit rating on your behalf.

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**People make mistakes**

You have the right to be treated fairly and with dignity, even if you make a mistake.

Companies, governments and collections agencies make mistakes. It can be hard to make them fix their mistakes. Some hope that you will give up and go away. It can sometimes take a lot of trouble, patience and persistence on your part to get a problem solved.

The sooner you address the problem, the better your chances of a good result.

Know your Rights and Responsibilities!
A collection agency CANNOT:

- Try to collect debt without writing to you first.
- Threaten you, intimidate you or use abusive language.
- Give information, or threaten to give information, to anyone that could affect your employment.
- Pressure you to repay the debt to the point of harassment.
- Add any costs to the debt you owe.
- Suggest that friends, employer, relatives or neighbors pay your debt.
- Call your cell phone or call you collect, unless you ask them to.
- Pretend to be a lawyer or the police.
- Give you false or misleading information.
- Take you to court without permission from your creditor.
- Involve police or send you to jail.
- Take your property (but a creditor can sometimes have what you bought from them repossessed).

**Question:**
Why does each person I talk to keep asking me for my identification?
I already gave it to the first person!

**Answer:**
They do this for your security and protection. Each new person you talk to has a responsibility to make sure that you are who you say you are.

If they give out your personal information (like your account information) to someone other than you, they could get in big trouble.
Advocating for Yourself and Others
Knowing your rights

If you do decide to ask someone to make the call for you:

It is a strength to know when you need help, and to ask.

You should be there when they make the call for you.

Most company and government officials will insist on speaking to you personally at some point in the conversation. They want to make sure

- has your permission to speak for you
- does not make decisions for you that you don’t understand
- does not make decisions for you that you disagree with

STEP 1 - Organize

- Gather your papers – any contract you signed, as well as any letters, notices, statements, receipts, notes you have taken, etc. Keep a file.
- Gather the facts.
- Make a timeline, a list of what has happened, when, and who was involved, from the beginning to the present.
- Decide what you want to accomplish. Being organized will help you to be calm, firm and confident when you make the call. You will be more likely to be taken seriously and treated with the respect you deserve.

STEP 2 - Make the Call/Write the Letter/Submit your complaint

- Ask for and write down the name, employee identification number and phone number or extension of each person you talk to.
- Tell them what you need. Negotiate.
- Make sure they send you any offers in writing, for your records.
- Find out who you should call to follow up, and when. Depending on the situation, you may want to give them a deadline to get back to you.
- Afterwards, write notes about what happened in the call, while it is fresh in your mind.

STEP 3 - Follow Up

- Do everything you agreed to do, and call them to let them know when it is done.
- Call them or check to make sure they have done what they agreed to do.
Advocating for Yourself and Others
Knowing your rights

If the company can’t or won’t resolve the error:


- Take the problem to the appropriate ombudsperson (see At Your Fingertips for full list of Ombudsservices)

- For consumer complaints about banks, credit unions, trust and loan companies, insurance companies and private pension plans, contact the Financial Consumer Agency of Canada (FCAC) at 1-866-461-3222 (toll-free), or e-mail info@fcac-acfc.gc.ca to find out what to do next.

- Go online, or to the media – but you must be prepared to have your face, name and story go public, and possibly face criticism. Decide how you feel about that before proceeding.

- Take legal action – As a last resort you may want to take the company to court.

Before going to court

Find out:

- how much the process will cost you money-wise
- how much of your time and energy it will cost you
- what your chances are of success – is it a battle you can win?

And ask yourself:

- What else do I have going on in my life right now?
- How important is this?
- Will it be worth the price I must pay?
- Will it be worth it in the end?

You may not get justice.
We sometimes have to pick our battles.

There may come a point when you need to let it go, to move on to better and more positive things in your life.

What happened to you is not okay, but you can still be okay!
Talking to Your Kids About Money

- Be a positive role model. Your children will learn helpful - and problematic - money habits from you.
- They need to learn the value of money and what basic living costs are.
- Children can learn about managing money from an allowance. You can help them make decisions about saving, spending and donating their money.
- Keep conversations about money concrete - especially for younger children.
- Be creative. Use fun activities. Make learning about money into a game. If you have internet access, you can find some great ideas online.
- Take them shopping with you, and talk about the spending decisions you are making. Get their input.
- Take them with you to pay bills, to the bank or credit union, to meetings with your financial advisor (when they are older), etc.

When times are hard...

- Children don’t need to know all the details, but as they get older they need to understand what is going on.
- Talking about a change in your finances can help reassure children.
- They often sense when something is wrong, and may assume the worst. Times are hard. does that mean the family will have to live on the street? Or just that the family might not eat at restaurants any more?
- Children also need to understand that money doesn’t just magically appear.
- Talk in concrete terms about changes in spending that you have to make.
- Find free or inexpensive ways to have fun with your child. They need to know that they can have fun even without much money and that everything is going to be okay.

Calculating Monthly Amounts:

<table>
<thead>
<tr>
<th>If the amount is:</th>
<th>Then:</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly</td>
<td>Multiply by 52, then divide by 12</td>
<td>x 52 ÷ 12</td>
</tr>
<tr>
<td>Every two weeks</td>
<td>Multiply by 26, then divide by 12</td>
<td>x 26 ÷ 12</td>
</tr>
<tr>
<td>Twice a month</td>
<td>Multiply by 2</td>
<td>x 2</td>
</tr>
<tr>
<td>Four times a year</td>
<td>Divide by 3</td>
<td>÷ 3</td>
</tr>
<tr>
<td>Twice a year</td>
<td>Divide by 6</td>
<td>÷ 6</td>
</tr>
<tr>
<td>Once a year</td>
<td>Divide by 12</td>
<td>÷ 12</td>
</tr>
</tbody>
</table>
### Appendix A: Budget Worksheets

#### Monthly Income (A)

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income from wages (after deductions)</td>
<td></td>
</tr>
<tr>
<td>Self-employment Income</td>
<td></td>
</tr>
<tr>
<td>Government Benefits</td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

#### Monthly Expenses (a)

**a) Fixed Expenses**

- "Rent or Mortgage"
- "Car Payments"
- Car Insurance and License
- Home or Apartment Insurance
- Health Insurance
- Life/Other Insurance
- Phone/Cell Phone
- Cable/Satellite
- Internet
- Child Care
- "Child/Spousal Support Payments (you pay)"
- Student Loan Payments
- Credit Card Payments (total)
- Line of Credit Payments
- Loans (total, not including car/mortgage)
- Rent-to-own Payments
- Bank Fees
- Other

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Expenses Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Government benefits include:**

- Canada Child Tax Benefit
- Universal Child Care Benefit
- EI Benefits
- Canada Pension Plan
- Income Assistance
- Old Age Security (OAS)
- Guaranteed Income Supplement (GIS)

**Other income sources include:**

- Child/Spousal Support
- Rental income
- Interest income from investments
- Student Loan (if you’re in school)
- Withdrawal from savings
- Pensions and Annuities
- RRSP (Registered Retirement Savings Plan)
- RRIF (Registered Retirement Income Fund)

**Monthly Expenses**

- "Items with stars are top priorities!"

For Occasional and Seasonal Expenses (on next page)

How much do you pay per year? Divide that by 12 for the monthly average. This will tell you how much you need to set aside per month to have enough to cover these expenses when they come up.

It is always best to guess on the high side. That way you will more likely have the treat of having money left over, than the nasty surprise of finding you don’t have enough.
### Appendix A: Budget Worksheets

#### Basic Living Expenses (b)

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>'Food'</td>
<td></td>
</tr>
<tr>
<td>Clothing</td>
<td></td>
</tr>
<tr>
<td>Laundry/Cleaning Supplies</td>
<td></td>
</tr>
<tr>
<td>Personal Care (see box)</td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td></td>
</tr>
<tr>
<td>Parking</td>
<td></td>
</tr>
<tr>
<td>Cabs</td>
<td></td>
</tr>
<tr>
<td>Public Transit</td>
<td></td>
</tr>
<tr>
<td>'Prescription Drugs'</td>
<td></td>
</tr>
<tr>
<td>Non-Prescription Drugs</td>
<td></td>
</tr>
<tr>
<td>Exercise/Gym</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

#### Occasional/Seasonal Expenses (c)

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car Repairs and Maintenance</td>
<td></td>
</tr>
<tr>
<td>Home Repairs and Maintenance</td>
<td></td>
</tr>
<tr>
<td>Furniture, appliances, etc.</td>
<td></td>
</tr>
<tr>
<td>Gifts (Christmas, etc.) and Donations</td>
<td></td>
</tr>
<tr>
<td>School Supplies</td>
<td></td>
</tr>
<tr>
<td>Property Tax</td>
<td></td>
</tr>
<tr>
<td>Dental Bills</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td><strong>Occasional/Seasonal Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

---

### Average Cost of Food:

- Children 8 and under: $159/month (less for younger children)
- Teenage Boys: $298/month (Less for younger boys)
- Teenage Girls: $218/month (Less for younger girls)
- Adult Men: $260/month
- Adult Women: $220/month
- Men over age 71: $249/month
- Women over age 71: $193/month
- Pregnant/Lactating Women: $238/month

Note: these figures are minimum costs for a basic nutritious diet – not an ideal diet. These figures are for 2012; food costs are steadily climbing.

*(Based on Can Nova Scotians Eat Healthy? Report on 2012 Participatory Food Costing, Mount Saint Vincent University 2013)*

### Cost of Car Maintenance/Repairs

Depends on a lot: car age, condition, mileage, make and model, how hard you drive, how you take care of your car, etc.

Maintenance includes things like oil, oil changes, brakes, headlights, muffler, wipers, wiper fluid, tires, tire changes, etc.

The best way to guess what you will need for car repairs this year: go by what you spent last year. So dig out your receipts!

If you don’t have receipts: for the average car, a good guess is about $100/month.

### Cost of Home/Property Maintenance/Repairs

As with car repairs, it depends on a lot: age of the house, what it is made of, how you/other have taken care of it, etc.

Property maintenance and repair might include things like painting, sump pump, furnace, electrical, roof, landscaping, etc.

Go by what you spent last year (look at your receipts), but also look around your home: what jobs need to be done?

If you have no idea, $150/month might be a good guess.
### Utilities (d)

| 'Heating Oil/Gas/Wood' |  
| 'Electricity' |  
| Water |  
| Other |  

**Utilities Total:**

### Education Expenses (e)

| Tuition and Fees |  
| Books |  
| Stationery and other supplies |  
| School trips |  
| After School Activities |  
| Other |  

**Education Total:**

### Additional Expenses (f)

| Recreation and Entertainment |  
| Eating Out |  
| Candy/Coffee/Treats etc. |  
| Babysitter |  
| Cigarettes/Alcohol/Drugs |  
| Electronics (iPOD, TV, games, etc.) |  
| Vacation and travel |  
| Pets |  
| Other |  

**Additional Expenses Total:**

---

**Hint for Utilities: Equal Billing Payment Plans**

Some things like home heating cost a lot more in winter than in summer. When costs go up and down like that, it is difficult to organize and keep track of your expenses, and harder to do a budget.

If you are up to date on payments, most utilities will set up a regular monthly payment for you (Equal Billing Payment Plan) based on the average per month over the whole year:

**Regular payments = easier budgeting= more control over your own money!**

**Average Cost of School Supplies**

Income Assistance provides $50 per child aged 12 and under, and $100 per child aged 13 and over (if eligible).

The average Canadian family with school-age children spends $403/year on back-to-school supplies.

**Additional expenses** for things like recreation and entertainment are the easiest to cut back on. But they are important too!

With a little planning you can still spoil yourself, without letting these expenses get out of control.

*You might even find you enjoy them more!*

If you use tobacco or alcohol, be realistic and honest with yourself when making up your budget. If you plan to quit - use all that money you will save for motivation.
Appendix A: Budget Worksheets

**Total Expenses (B)**

<table>
<thead>
<tr>
<th>Description</th>
<th>(a)</th>
<th>(b)</th>
<th>(c)</th>
<th>(d)</th>
<th>(e)</th>
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</thead>
<tbody>
<tr>
<td>Fixed Expenses</td>
<td></td>
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<tr>
<td>Basic Living Expenses</td>
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<tr>
<td>Occasional/Seasonal Expenses</td>
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<tr>
<td>Utilities</td>
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<tr>
<td>Education Expenses</td>
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<tr>
<td>Additional Living Expenses</td>
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<tr>
<td><strong>Total Expenses:</strong></td>
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</tbody>
</table>

**Final Tally**

<table>
<thead>
<tr>
<th>Description</th>
<th>(A)</th>
<th>(B)</th>
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</thead>
<tbody>
<tr>
<td>Total Income</td>
<td></td>
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<tr>
<td>- Total Expenses</td>
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<tr>
<td><strong>Surplus Balance =</strong></td>
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</tbody>
</table>

**Savings Goals**

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Fund</td>
</tr>
<tr>
<td>TFSA (Tax-Free Savings Account)</td>
</tr>
<tr>
<td>Retirement (RRSP)</td>
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<tr>
<td>Education (RESP)</td>
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<tr>
<td>Other Investments</td>
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<tr>
<td>Home Down Payment</td>
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<tr>
<td>Car Savings</td>
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<tr>
<td>Other</td>
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<tr>
<td><strong>Total:</strong></td>
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</tbody>
</table>

**Should you save while still in debt?**

Yes. Having an emergency fund will help you avoid taking on expensive debts (like a payday loan) in an emergency and save you money in the long run.

You may want to consider other savings too; talk to someone at your bank or credit union about the advantages and disadvantages.

**Debt Repayment**

<table>
<thead>
<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Credit card payments (total)</td>
</tr>
<tr>
<td>Lines of credit</td>
</tr>
<tr>
<td>Student Loan</td>
</tr>
<tr>
<td>Loan (total, not including car or mortgage)</td>
</tr>
<tr>
<td>Rent-to-own</td>
</tr>
<tr>
<td>Buy Now Pay Later</td>
</tr>
<tr>
<td>Other</td>
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<tr>
<td><strong>Total:</strong></td>
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</tbody>
</table>
### Appendix B: Debt WorkSheet

<table>
<thead>
<tr>
<th>Name of Creditor</th>
<th>Total Owed</th>
<th>Monthly Payments</th>
<th>Minimum Payment</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>ex. Mastercard</td>
<td>$1200</td>
<td>$150</td>
<td>$120</td>
<td>19%</td>
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</tbody>
</table>

**Overall Total:**

**Debts to include above:**
- Credit cards
- Lines of credit
- Loans
- Payday Loans
- Student Loan
- Mortgage
- Rent-to-Own Payments

**Remember: To Repay Debt Fast**

Put as much as you can afford toward the debt with the **highest interest rate**, and minimum payments on everything else.

Or go online and try the Debt Repayment Tool at: [http://cgi.moneycnn.com/tools/debtplanner/debtplanner.jsp](http://cgi.moneycnn.com/tools/debtplanner/debtplanner.jsp)

Debt worksheets are available at the Antigonish Women’s Resource Centre website: [http://www.antigonishwomenscentre.com/money-matters.htm](http://www.antigonishwomenscentre.com/money-matters.htm)

### Appendix C: Canadian Currency

#### Paper Currency

$1, $2, $500 and $1000 bills are no longer made in Canada. They are still legal tender, but they are rare.

#### Coin Currency

- Penny = 1¢
- Nickel = 5¢
- Dime = 10¢
- Quarter = 25¢
- Loonie = $1
- Toonie = $2

$1 Canadian = 100¢ Canadian

**Note** – The penny is being removed from circulation, but it is still in use. Silver dollar coins and 50¢ coins exist. They are legal tender, but you don’t see them very often. ($1 Canadian = $0.99 US = € 0.76 [May 7th, 2013])
Account - What you set up at a bank or credit union for depositing, withdrawing, borrowing or investing money.

Account statement - A record you get each month of what happened in your account.

Annual fee - A fee charged once a year by many credit card companies.

Annual percentage rate - The rate of interest charged on a loan each year. This rate may differ from what you see advertised. There is a standard way to calculate it. This is to help borrowers compare rates.

Annuity - A kind of investment that you purchase in one large amount. You then get guaranteed regular payments for a set term or for the rest of your life.

Assets - Things you own that have value, such as art, jewellery, antiques, a car, or a house.

Automated teller machine (ATM) - A machine you use to do banking with your debit card. Also called an automated banking machine (ABM).

Balance - The amount you presently owe on a bill or debt; or the amount of money you have in your bank or credit union account.

Balanced budget - A budget in which income and expenses are equal.

Banking fees - Fees charged to customers for banking services.

Bankruptcy - A legal process where you declare that you cannot pay back your debts.

Bankruptcy trustee - A person who is licensed to handle bankruptcies and consumer proposals.

Bond - A kind of investment where you lend your money to a government or a company.

Bounced cheque - When someone tries to cash a cheque that you wrote, but there isn’t enough money in your account to cover the cheque. Unless you have overdraft protection, you may have to pay fees to your bank/credit union and to whoever you wrote the cheque to.

Budget - An estimate of the income and expenses of a person, a family or an organization, over a certain period of time.

Buy Now Pay Later Loan - You get to take your purchase home with the agreement that you will pay for it later according to the terms of the loan.

Canada Pension Plan (CPP) - Canada’s government pension system. If you are eligible, it provides income when you retire or if you become permanently disabled. It is based on your contributions (through deductions from your paycheque) over your working life.

Canada Revenue Agency - The Canadian federal government department that collects taxes.

Canada Premium Bond (CPB) - A kind of investment where you lend money to the Bank of Canada (used to be called 'Canada Savings Bond').

Canada Savings Bond (CSB) - Now called a Canada Premium Bond (CPB).

Cheque - A written order to a bank, credit union, or trust company to pay a certain amount of money from the account of the person writing the cheque to the person getting the cheque.

Chequing account - An account at a bank, credit union or trust company that allows you to write cheques.

Collateral - If you take out a loan you may be asked to offer collateral. Collateral is something valuable that you own that the lender will be able to take and sell if you default (don’t pay) your loan as you agreed.

Collections agency - A private company that creditors pay to collect unpaid debts. The person who calls you about your debt is a collections agent.

Compound interest - When interest is paid not just on the amount you put in, but also on any interest that was earned on that money the year before. (See also simple interest).

Consolidate - When you get a single loan to pay off two or more other debts. Be sure the interest rate on your consolidation loan is lower than...
the interest rates you were paying before on the other debts.

**Consumer** - Anyone who buys goods (anything you may buy like a toothbrush, a home, a car...) and services (like banking, snow removal, insurance...)

**Consumerism** - The way we are always thinking about buying things in our society.

**Consumer Loan** – A loan for personal, family or household use.

**Consumer Proposal** – A legal process where you work with a bankruptcy trustee to make an offer to pay your creditors less than you owe them. If they approve the offer and the Court approves the plan, you must pay your creditors within five years or less.

**Co-signer** – If your credit rating isn’t good enough to get a loan, you may still be able to get the loan if someone with a good enough credit rating agrees to sign for the loan as well. If you don’t pay the loan, the co-signer may have to pay it for you.

**Collections** – Collections agencies are private companies that specialize in getting people to pay what they owe. When a company is having trouble getting a debtor to pay what they owe, they hire a collections agency or “send your account to collections”.

**Credit** – A legal contract signed between a debtor (borrower) and a creditor (lender). It allows the borrower to buy goods or services and pay for them over time. The debtor must pay back what they owe (usually with interest).

**Credit bureau** - A company that gathers information about you as a borrower and provides reports about how you manage credit and bill payments.

**Credit card** - A card from a bank, credit union or credit card company that lets you buy things and pay for them later. The credit card company pays the seller. You repay the credit card company monthly.

**Credit check** – A request to a credit bureau for a report about how well you manage credit (your credit report).

**Credit counselling** – Counselling to help you budget, manage credit and pay off debts. It is required when you go through bankruptcy or a consumer proposal.

**Credit history** – How well you have managed credit and bill payments in the past.

**Credit limit** - The highest amount you can borrow on a credit card. It can also refer to the total amount you could borrow if you maxed out all of your sources of credit.

**Credit rating** - A rating from 1 to 9 (lower is better) given to each credit account (credit card, car loan, etc.) in your record by a credit bureau, to show how well you have handled payments for that account.

**Credit report** – A detailed account of your credit history from a Credit Bureau.

**Credit score** - A score between 300 and 900 (higher is better) that credit bureaus use to rate the information in your credit report.

**Credit Union** - A financial institution (like a bank) that is owned by its depositors and borrowers.

**Creditor** – The person or company that lends the money and that the debtor owes money to.

**Debt** – Money owed.

**Debt Management Plan** - a voluntary agreement between you and your creditor(s) arranged by a non-profit Credit Counselling agency to pay back the debt you owe.

**Debt repayment plan** – A realistic plan for getting your debt under control.

**Debtor** – The person who owes money to a creditor.
**Glossary**

**Definitions**

**Deduction** - An amount removed. E.g., tax, EI and CPP are deducted (removed) from your paycheque.

**Deficit** - The amount by which your spending exceeds your income (opposite of surplus).

**Department store card** – A kind of credit card offered by a store for purchases you make at that store.

**Deposit** - to put money into an account, or the money held in the account.

**Direct Deposit** – Can be done with government cheques and some paycheques. Instead of getting a cheque to deposit, the money is sent directly into your bank account. There is no hold put on direct deposit. You set it up with a form or a void cheque.

**Discharge** - Being relieved of your debts through bankruptcy, at the end of the bankruptcy process.

**Downpayment** – When you make a purchase using credit, a big payment you make at the beginning. It lowers the amount of the loan you will need. Some big purchases, like a mortgage, require a downpayment.

**Earnings** - Money you get from work, and from interest on savings and investments.

**Employment Insurance** - A government program that you pay into (see deduction), and that gives you money to get by for a period of time if you lose your job or can’t work (if you qualify).

**Exemption level** - The income level below which you do not have to pay taxes.

**Expenses** – Things you spend money on, like food, rent or mortgage, clothes, electricity, vacations, taxis, coffee, cigarettes, student loan payments, etc.

**Financial abuse** (especially seniors, or any vulnerable person) - Any misuse of another person’s money by someone in a position of trust. It can include taking money, threatening to not visit or keeping loved ones from visiting unless money or gifts are given, misusing power of attorney, fraud, etc.

**Fine print** - A term used to describe the conditions, terms, rules, and warnings that appear in a contract or at the end of an advertisement in very small print. Be sure to understand the fine print before buying something or signing a contract!

**Fixed expenses** - Expenses that do not change much from month to month, such as rent and utilities.

**Garnishment of wages** – When the creditor arranges to get part of a debtor’s paycheque directly from their employer. The creditor must take the debtor to court to do this.

**Global Payment Card** – A kind of debit card that acts like a credit card by letting you make online payments, reservations, car rentals, etc.; but you can never use it for more money than is in your account.

**Grace period** - The amount of time you have to pay a credit card balance before you are charged interest.

**Gross income** - All of the money that comes into the household, before taxes.

**Guaranteed Investment Certificate (GIC)** - A type of investment. You deposit money with a bank or credit union for a fixed period of time and get a set rate of interest at the end of that period.

**Harassment** - Using fear and pressure to make you pay your debt. Creditors are not allowed to harass you.

**Holds** – Banks/credit unions put a hold on cheques for up to 7 business days, or up to 30 business days for cheques from banks outside Canada. You won’t be able to use the money you have deposited until the cheque clears.

**Identity theft** - When someone steals information about you and uses it to buy things or get cash or credit in your name.
Glossary

Definitions

**Income** – The money you have coming in, like paycheques, government supports, tax refunds, student loan, etc.

**Impulse buying** – Buying something that you did not plan to buy, and that you likely don’t need.

**Income tax return** – The set of forms you fill out each year when you do your taxes. It calculates your tax amount owed (if any), or the refund owed to you, for the previous year.

**Income tax refund** – The amount of money the government owes you (if any) based on your income tax return.

**Inheritance** – Money that someone leaves to you when they die.

**Insolvent** – Unable to pay your debts.

**Instalment credit** – The kind of credit where you get an amount of money all at once, and then make regular payments until the balance is zero. E.g., a car loan.

**Interest** – *If you owe money:* a percentage of the amount owed that is added to the balance, usually on a monthly or yearly basis, as a fee for the convenience of getting credit. It makes your debt grow. *If you are saving or investing:* a percentage of the amount you have invested or in a savings account that is added to the balance. You are being paid for letting others (a bank, a company, etc.) use your money. Your money grows.

**Investment** – A way to put your money to work so that it has a chance to increase in value.

**Investor** – Someone who makes an investment.

**Joint account** – An account set up so that two people can use it.

**Leverage** – Using other people’s money to build your own financial health in the long term.

**Line of credit** – A type of pre-approved loan that allows you to borrow money when you need it, up to a maximum amount.

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**Loan** – Money that you have borrowed and have to repay on a set schedule, with interest.

**Maturity date** – The date on which a bond, GIC, or term deposit is due to be paid out.

**“Maxed out”** – When you have reached the limit of what you are allowed to owe on a credit card or line of credit, and can’t use it any more.

**Mortgage** – A loan to buy property. If the loan is not repaid on time, the lender can take the property (foreclosure).

**Mutual fund** – A kind of investment. A pool of money that is managed for a large number of investors by a professional money manager.

**Need** – Something you must have to live.

**Negotiate** – When you talk to a person or a company to work out a deal, such as for repayment.

**Not Sufficient Funds** – (NSF for short.) When you write a cheque or pay a bill when there is not enough money in your account to cover it. This results in a penalty fee. Also what you see when you try to buy something with debit and there isn’t enough money in your account. You may have to pay a fee to the person or business the payment was for as well.

**Notice of Assessment** – A letter sent by Canada Revenue Agency (CRA) after you have filed your taxes. It confirms your tax amounts and explains any changes they have made.

**Ombudsperson (ombudsman)** – An independent and unbiased mediator whose job is to help resolve problems and complaints when all other ways of resolving the problem have not worked.

**Open credit** – The kind of credit where you get a bill in the mail each month, such as a phone bill, and you are expected to pay it in full.

**Overdraft Protection** – If a cheque, debit or direct payment is coming out of your bank or credit union account and there isn’t enough money in the account to cover it, overdraft protection loans the money to your account to cover the payment until you get the chance to make a deposit. You will
pay interest on that loan.

Passbook – A small book the bank or credit union gives you that lists your transactions.

Pay Day Loan – A short-term loan designed to be paid back when your next paycheque comes in. It is a way of getting your pay early. The interest rates are very high, though, so you lose part of your paycheque.

Personal identification number (PIN) - A confidential number you use as a password to confirm who you are at a bank machine, a computer or a phone system.

Pre-authorized Debit – A way of paying a bill where you agree to have the company take the amount you owe each month directly out of your account.

Pre-authorized Transfer to Savings – When you set up your account so that when your paycheque goes in, a certain amount automatically gets moved into your savings account. A good way to “pay yourself first”!

Prepaid credit card - A card you pay cash (and other fees) for in advance. The balance goes down as you make purchases or withdrawals. Not a real credit card; doesn’t build credit.

Principal - The amount of money invested or loaned, not counting the interest.

Priority - Something that is more important to you than other things.

Receipt - A printed statement showing things you bought and the price you paid for them.

Registered Disability Savings Account (RDSP) - A special savings plan for people with disabilities. It is registered with Revenue Canada. It allows people to put money aside for a disabled person, for the future. The government may also add money to the plan.

Registered Education Savings Plan (RESP) - A special savings plan that allows people to put money aside for a child’s education after high school. It is registered with Revenue Canada. The government may also add the Canada Education Savings Grant (CESG) and the Canada Learning Bond (CLB) to the account.

Reimburse - To pay someone back for an expense.

Rent-to-Own – A kind of loan arrangement where you get to take the item home and make regular payments for it. At some point you have the option of paying off the rest of the loan and keeping the item instead of returning it. See Cost of Credit on pg. 25.

Renegotiate - Work with a creditor to change the terms of a loan so that it is easier for you to repay.

Repossession – When the creditor arranges to take back the item that you paid for on credit but have not made the agreed payments on. The creditor must take the debtor to court to do this.

Risk tolerance - How willing or comfortable you are to risk losing your money on an investment. The higher the risk, the faster your money might grow... and the more you might lose.

Return - The profit you make on an investment through interest, dividends or increased value of the investment.

Revolving credit - The kind of credit where you are given a limit up to which you can spend, such as a credit card.

Savings - Money you have not spent or that you set aside for a special purpose.

Savings account - An account with a bank, trust company, or credit union that pays interest on the money you deposit.

Seasonal expenses – Expenses that only come up at certain times of the year, like winter tires or Christmas gifts.

Secured Credit Card – A credit card that is linked to an account that contains the amount of the credit card limit. You cannot access that account until you close the credit card. If you don’t pay off the credit card, the savings account is used to pay it off and the card is closed.
**Glossary**

**Definitions**

**Shares** - This is what you buy if you invest in the stock market. It means that you own a small part of the company. If the company does well, your shares increase in value.

**Shareholder** - Someone who owns shares in a company.

**Simple interest** - Interest that is paid only on the amount you deposit. (See also compound interest).

**Social Insurance Number (SIN)** - A nine-digit number that you must have to work in Canada or to receive government benefits.

**Statement (of account)** – You can get it by mail or see it online. Tells the amount you have or owe, along with all withdrawals and deposits.

**Stocks** - Shares in a company. What you buy if you invest in the stock market (See shares).

**Student Loan** – A loan to pay for education.

**Subconscious** - The part of the mind that learns things we are not aware of. Repeated advertising can get through to our subconscious minds.

**Surplus** - The amount by which your income exceeds your spending (opposite of deficit).

**Tax-Free Savings Account (TFSA)** - A special kind of savings account that is registered with Revenue Canada, where your money can grow tax-free. Unlike an RRSP, contributions are not tax deductible but withdrawals are tax-free.

**Term (of a loan)** – The amount of time before the loan will be paid off, or will need to be renegotiated.

**Term (of an investment)** – The set amount of time before you cash in an investment, or re-invest the money.

**Term deposit** - A type of deposit that you earn interest on. You get your money plus the interest at the end of the set term (See Guaranteed Income Certificate).

**Unit price** - The amount something costs by a certain unit of measurement. E.g., the price per litre of gas.

**Unsecured Credit Card** – A credit card where you are trusted to pay it off. It is not linked to an account like a secured credit card, but the bank or credit union who issued you the card may freeze your accounts with them if you don’t pay.

**Variable expenses** - Expenses that can change from month to month, such as food and entertainment.

**Void cheque** – used to set up direct deposit. Write VOID across the front of the cheque. Don’t sign it.

**Want** - Something you desire, but do not need in order to live.

**Warranty** - A guarantee that a product will meet certain standards, and will be replaced if it does not. To get the warranty, you may have to mail in a form.

**Withdraw** - To take money out of an account.

**Withdrawal** - Money you take out of an account.
Special thanks to:

- All those who participated in focus groups, for your openness, insights, wisdom and expertise.
- All those who have participated in workshops and information sessions.
- All those who reviewed the Money Matters Resource Booklet and Money Guide.
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- The many others with whom I have had insightful conversations about financial literacy and how best to offer services to the community.
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- The Social and Enterprise Development Innovations (SEDI) Financial Literacy Series, on which the Money Guide contents are based.

A project of the Antigonish Women’s Resource Centre & Sexual Assault Services Association

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