



Facilitator Manual



The materials found in the program are the property of SEED Winnipeg Inc. and may not be copied or reproduced without permission. This material is intended for use by not-for-profit organizations. For information about using these materials and our Train the Trainer program please contact:

SEED Winnipeg Inc.
80 Salter Street
Winnipeg, Manitoba R2W 4J6
Phone: (204) 927-9935 Fax: (204) 927-9930 Email: info@seedwinnipeg.ca

Contents

Introduction.....	1
Money, My Community, and Me	3
Building Assets	7
Goal setting and Problem Solving.....	12
Money Choices	18
Gathering Information.....	24
Building a Budget	30
Banking.....	37
Credit	43

Introduction

The Land Acknowledgment

SEED respectfully acknowledges that we live and work on the territories and homeland of Indigenous peoples and that the land and water sustain us.

We respect the treaties as intended by Indigenous peoples. It is our responsibility to understand the truth of our history, be aware of the present and work with Indigenous peoples to make positive changes for the future.

Introductions

Introductions are done at the beginning of a Money Stories series or at Stand Alone workshops.

- Give participants a brief overview of what SEED is and where we are located:

“SEED Winnipeg is a non-profit organization that helps low-income individuals and families build assets through financial empowerment programs. We are located at 80 Salter Street in Winnipeg, MB.”
- Introduce yourself, how you discovered SEED and also explain the roles of a junior facilitator.
- Offer information on SEED’s programs and services and explain if necessary.

History of Money Stories

The program originated from participants of the Aboriginal Seniors Resource Centre after a series of money management training was delivered. The participants had the great idea of passing this knowledge on to Indigenous youth. SEED recognized the benefits of such a program, and from there, the Money Stories program was born.

Although SEED Winnipeg has been delivering Money Management Training to community members for a long time. The Money Stories Program is geared towards Indigenous youth, and as such, is different from SEED’s regular Money Management Training (MMT) sessions.

Taught through an indigenous lens, Money Stories provides a variety of activities that are engaging and interactive with youth. The program also incorporates, when available, teachings and stories from Elders or Knowledge Keepers from the community.

SEED’s programs and services

Saving Circle

A 3:1 matched savings account. Save \$250.00 and have it matched with \$750.00 for a grand total of \$1000.00. This program is once per life time & requires completion of the Saving Circle’s 10-week money management program. Funds are for basic needs.

Individual Development Account

2:1 matched savings to a maximum of \$1000.00. Matched with \$2000.00 = \$3000.00. Must complete Saving Circle First.

Access to Benefits

Year round tax filing, applying for government benefits, access to free bank accounts, RRSPs, photo id’s, etc. All for no fee.

Business Development Services

BDS department specializes in business development for people interested in starting a business.



Dream Catcher Icebreaker Activity

Icebreakers are questions or activities used to open up discussion. In this activity participants are interactive while learning about each other.

1. Begin with a ball of yarn. Start off with introducing yourself and then stating a characteristic, hobby or interest of yours. (Ex. Eye color, sports teams, movie genres etc.).
2. Ask participants if anyone shares this common characteristic/hobby/interest and throw the ball of yarn to them. Be sure to hold on or loop the string onto your finger. The end goal is to make a web.
3. Have the next participant share and so on and so forth until everyone is connected by the yarn.
4. Once finished, point out how the web is meant to represent a dream catcher. Continue on to explain purpose.

Purpose

To show participants that we are all connected in some way, shape or form. This activity also highlights the importance of the Dreamcatcher. The Ojibwe word for Dream Catcher translates to “Spider” and the circle it is woven around represents the circle of life.

Junior Facilitator Alumni Advice

Alternative Icebreaker’s may be used if uncomfortable facilitating the dream catcher activity.

Only give brief explanations of SEED’s programs and services when doing introductions. Offer full description if participants ask.

Indigenous Programs Developer Corner Advice

If elders join sessions be sure to book with the program developer 1-2 weeks prior to workshop.

Books, name tags, pre-evaluations and participant forms to be handed out in first workshop.

Classroom Guidelines

Create a list of class rules to set up workshop expectations.

Ask participants what they want to accomplish in the workshops and build the facilitation based on the answers. Determine what the rules of the classroom are regarding respect, cell phones, breaks, etc...

Chapter 1

Money, My Community, and Me

Goal

To define and bring awareness to Community Economic Development. How to apply CED to your own life by supporting and using the 11 CED principles.

Icebreaker Activity

Camping Trip Memory Game

In this memory game, participants are asked to introduce themselves, say they're going on a camping trip and state one item that they will bring.

The participants choose items in the order of the alphabet and repeat any previous items said.

Example

"My name is Raoul, I'm going on a camping trip and I'm bringing an Apple."

"My name is Shay, I'm going on a camping trip and I'm bringing an apple and a brick."

My Community's Strengths and Challenges Activity

1. Ask participants to define what community means to them. Make sure to probe and allow time for participants to answer before providing examples.
 - Community can be a place or a group of people who share common interests or characteristics.
 - Community can be a nation, your workplace or even a sports team.

Overview

Goal

Icebreaker

My Community's Strengths and Challenges Activity

Community Economic Development

Leaky Bucket

CED Quiz

Junior Facilitator Alumni Advice

Indigenous Programs Developer Corner

Supplies List

Flipchart paper (if required)

Pencils, pens, and markers

'Leaky Buckets' buckets

Required hand-outs

Evaluations

**Strengths**

Multicultural, diverse, resources, free health-care, housing.

Challenges

Lack of resources, transit system, racism, drugs, gang violence.

Solutions

Community participation, more jobs, creating awareness, volunteerism.

What can I do?

Participating in community events, advocating for your community.

2. Ask participants what makes a healthy community and what makes an unhealthy community.
 - A healthy community is one that has quality educational systems, resources and a healthy physical environment etc.
 - An unhealthy community is one that has low-quality education, low employment rates and corruption etc.
3. Next, split participants into small groups and give them flip-chart paper and markers. Ask them to draw out the following diagram.

Note: This activity can also be facilitated as one large group rather than as small groups.

Draw the diagram displayed below on a whiteboard or flipchart paper. Draw one circle at a time if you are facilitating the activity as one group. Be sure to leave enough room for the following questions.

- What are some strengths in your community?
- What are the challenges our community faces?
- What are possible solutions to these challenges?
- What can you do as an individual? What are ways you can get involved with the solutions listed?

Purpose

To identify strengths and weaknesses present in our community so that we can find where community economic development could be beneficial. Throughout this activity you may recognize that we already practice CED in our own lives.

What is CED?

Community Economic Development is a way for people in a community to create solutions for their community's needs. Examples include buying locally and hiring local community members to keep money in the community.

- Explain to participants the importance of practicing CED using the 11 principles.



CED Principles and Examples

1. Use of local goods & services

- A community bakery that buys organic ingredients from local Manitoba farmers.

2. Productions of goods & services for local use

- A community store that sells vegetables grown nearby.

3. Local re-investment of profits

- A community business that grows by expanding its operation in the community.

4. Long-term employment of local residents

- Credit Unions hire locally and have room for advancement.

5. Local skill development

- Youth hired for summer projects such as community gardens or home renovations.

6. Local decision making and ownership

- Credit Unions give members a say in organizational decisions.

7. Healthy people

- A local clinic that's easily accessible to its community members.

8. Healthy physical environment

- Local parks and benches provide a sense of community and well being.

9. Neighborhood stability

- Community resources that help to ensure community members are safe and their needs are met.

10. Human Dignity

- Accessible resources to all. Public washrooms, clean water, etc.

11. Support other CED projects

- SEED delivering money management sessions to other youth serving organizations.

Community

Economic

Development

CED Principles

It is not always easy to follow these principles. A lot depends on what services are available in the community.

For example, if there are no local grocery stores available, it would be difficult to follow principles 1 and 2.

Even though it may not be possible to follow each principle, it is important to be mindful of each of them.

Look at the list of principles and try to think of some examples for each that are available in your community!



Leaky Bucket

Start off with 2 buckets, one with holes and one without holes. You will also need 11 cards or pieces of paper with one of the CED principles written on each. Place the buckets inside of each other, having the bucket without holes on the bottom. Then place a piece of paper in the bucket with holes to cover them up.

Explain that the coffee beans in this activity represents money coming into the community (wages, EIA, funding, taxes, etc.)

Pour the coffee beans into the bucket and then move the paper so the coffee beans fall through the holes.

The coffee beans falling through the holes represents money leaving the community (non-local businesses, big store corporations, money mart fees, etc.).

Now, place the 11 principles into the bucket with holes and then pour the coffee beans over the CED principles, showing that the “principles” stop the coffee beans from falling through the holes.

Purpose

The Leaky Bucket metaphor illustrates the importance of CED. It allows us to visualize how utilizing these 11 principals will help keep money within the community.

Junior Facilitator Alumni Advice

Fully understand what community economic development is and have personal examples of how you practice CED.

Do not use the ‘Leaky Bucket’ for groups 12 years and younger as they may not understand the metaphoric meaning of what CED is.

Indigenous Programs Developer Corner Advice

Spending a larger amount of time on the CED challenges and solutions instead of the leaky bucket activity may be a more positive example of showcasing the process of community economic development.

Including the history of ‘Neechi Commons’ and Lord Selkirk Park is a great way to exemplify CED.

See program developer for full history description.



Chapter 2

Building Assets

Goal

The goal of this chapter is to identify the different types of assets and to help participants recognize their own assets by using the asset hand model.

Icebreaker Activity

A person with a good life has?

Write the question on the board and ask participants to elaborate.

Write their answers on the board but keep in mind the 5 categories of assets as you lead the discussion toward them.

An alternative way to facilitate this question is by drawing out answers rather than writing them.

Purpose

Recognizing that there are 5 different asset categories and that, often times, money cannot buy the most cherished things in life.

Defining Different Assets

Explain to participants:

- An asset is something that you can use to your advantage to make your life easier. An asset can be a person, an object, a place or even a personality trait.
- An asset does not always have financial worth.
- There are 5 categories of assets and we recognize each of them equally.

Overview

Goal

Icebreaker

Definitions

Different Assets

My Assets

Connecting Assets

Junior Facilitator Alumni Advice

Indigenous Programs Developer Corner

Supplies List

Workshop cover sheet

Flipchart paper (if required)

Pencils, pens, and markers

Blank paper

Sticky notes

Hand-outs

Evaluations

5 Assets

Human Assets

Skills and abilities. Skills that you are able to teach to other people.

Ex: Teaching somebody financial literacy or how to play piano.

Financial Assets

Money or items of monetary value, also the ability to access financial services such as a bank account or credit.

Ex: Car, house, furniture, jewelry, having a bank account.

Personal Assets

Individual qualities or how your family/friends would describe you.

Ex: Kind, reliable, friendly, smart, resourceful.

Social Assets

Supportive people in your life, could be family/friends or even an elder.

Ex: Elder, mom, friends, bus driver.

Physical Assets

Basic items needed to survive. These items are physical items.

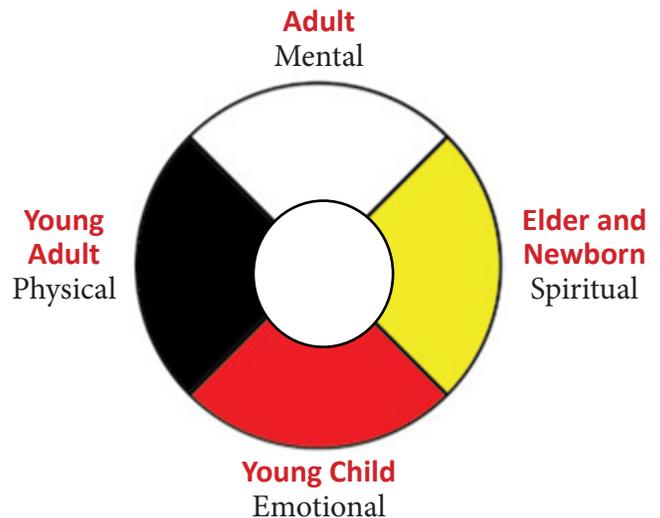
Ex. Shelter, clothing, food.

Asset Medicine Wheel Model

1. Draw a Medicine Wheel with a blank space in the center as displayed below.
2. Ask participants if they know what a medicine wheel represents. Allow time for answers.
3. Thank participants who shared answers and explain that the wheel's use and belief differentiates amongst indigenous cultures.
4. If no one participates then proceed to explain to them some common representations of the medicine wheel, as listed below.
 - The four nations, the four directions or the four seasons.
 - Note: These are just a few representations, there could be more depending on the partic-

ipants' traditional knowledge.

5. Explain that in this exercise we will be using the Life Cycle Medicine Wheel from Enaahdig (En-Ah-Tig) Healing Lodge which uses the medicine wheel to represent stages of life.
 - Newborn is associated with Spiritual because a newborn baby is just at the beginning of their life; at this point in their life they are still close to the spirit world.
 - Young Child is associated with Emotional because children's brains are still



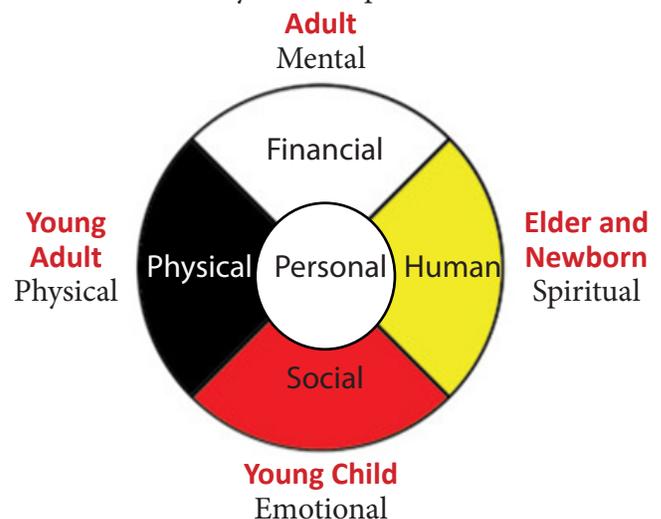
developing, which means that they are still learning how to control their emotions.

- Young Adult is associated with Physical because at this point in our lives our bodies are going through some physical changes; it is also at this point where our bodies are strong.
- Adult is paired with Mental because at this point in life we should be thinking more long term, thinking about future and past generations.
- Elder is with Spiritual just like the Newborn but for the opposite reason. They are on the side closer to the end of their long life, and will soon rejoin the spirit world.

6. Then tie in the assets with the medicine wheel by adding them to the wheel.

- Personal – Middle: We put “Personal” in the middle of the medicine wheel because this wheel is about the stages of life, but through your life you will always be you, and “Personal Assets” are individual qualities of a person; AKA you. (you could ask what a personal asset is before saying what it means again)
- Human – Newborn: Newborn has been paired with “Human Assets” because although unable to fend for themselves, babies can teach us a lot. Are we ready to be responsible for another person’s life? Are we prepared for what hardships may arise from being a parent? Newborn’s lead down a path of self-discovery, that is why they are paired with “Human assets.”

- Social – Young Child: They say it takes a village to raise a child; a child will have many people they could learn from. Those people that a child will learn from can be supportive pillars or stepping stones; a child will develop connections easier because they will not consider the many things that adults do when meeting someone new.



- Physical – Young Adult: Physical is associated with the Young Adult because at this age we’re either learning how to be independent or we’re at the point where we’re thinking of independence more. With independence comes costs, at this point we really keep in mind the basic things we need for survival.
- Financial – Adult: At this point in our lives we begin to think more about our future and maybe our own children’s future, or even 7 generations into the future. When thinking this way, think about what will we leave behind after we’re gone. How can I help my community now, what can I give back? It is for these reasons that we have decided to pair “Financial” with “Adult”.

- Human – Elder: At the end of our life cycle we have lived through so much and as indigenous people we understand that there are lessons to be learned by those who have experience. An elder has so much experience and teachings they could give.
7. To wrap up the discussion, speak to the class with the main speaking point being the following
- As you progress through the stages of life, your assets will always be there to utilize. Some assets may grow, some may shrink and this all depends on the individual's life circumstances; everyone matures at their own pace.

Purpose

We talk about the medicine wheel in an in-depth discussion of the importance of the interconnectedness to everything and anything around us.

Some Indigenous peoples believe that everything on this earth has a spirit, and it represents no matter where you are on the wheel there is a connection to all things gifted to us.

Give each participant a blank sheet of paper and ask them to trace their hand onto the paper.

Ask participants to think of a challenge they face and write it in the palm of their hand.

Explain to them that the 5 fingers are to represent each asset category.

In each finger participants are to come up with a solution to their challenges by using their own assets.

My Assets Hand Model Activity



Purpose

To demonstrate that each and every one of us have assets that can be beneficial to solving our problems.

Connecting Assets

Explain to participants

We may use all of our assets but if we were to rate them on a scale of 1-5, most times they will not be the same.

Some people can rate a 5 in one asset but a zero in another asset.

Assets may also depend on each other in the sense that when you improve one asset it could potentially increase one or more of your other assets.

Alternative for Connecting Assets

Write the following scenario on the board and ask participants to brainstorm solutions using each category of assets.

Your childcare provider has just told you that she has a family emergency and will be out of town for a week.

There is a spot open in a drop-in daycare but that'll cost \$250.00. You can't take any more time off work, what are you going to do?

Allow some time for participants to brainstorm their ideas. Write participant answers on the board and identify which asset each solution falls under. This activity can also be done individually or in small groups.

Purpose

To illustrate to participants that, since they are each interconnected, we can strengthen our weaker asset categories by utilizing our stronger ones.

Junior Facilitator Alumni Advice

Incorporating personal improvement stories to demonstrate 'connecting assets' in action can make the workshop really interesting.

An alternative activity for this chapter is called "The Assets Stickman"

Indigenous Programs Developer Corner Advice

Once the participants complete the connecting assets activity, provide the groups with more realistic challenges to work through while using the same process.

Participants can also write a challenge on a piece of paper, pass it around the room, and get others to write solutions to the problem.

Example

I rate my 'human' assets a 4 because I have a lot of teachable skills but I rate my 'financial' assets a 1 because I have no current income.

However if I utilize my 'human' assets it could potentially get me a job and my 'financial' assets will improve on the scale.

Example

Financial:
Pay the \$250.00

Social:
Ask family to babysit

Human:
Problem solving skills

Personal:
Negotiate

Physical:
Day-camp/drop-ins



Overview

- Supplies List
- Goal
- Icebreaker
- Defining Goals
- SMART Method
- Personal Problem Pa-
per Activity
- Newspaper Activity
- Junior Facilitator Alum-
ni Advice
- Indigenous Programs
Developer Corner

Supplies List

- Workshop cover sheet
- Flipchart paper
(if required)
- Pencils, pens,
and markers
- Newspapers
- Rolls of tape
- Blank paper for activity
- Sticky notes
- Required Hand-outs
- Evaluations (if stand-
alone)

Chapter 3

Goal setting and Problem Solving

Goal

The goal of this chapter is to identify whether a goal is immediate, short, or long term, and to introduce the SMART method and how to apply it to our own goals. In addition, problem solving tips are provided.

Icebreaker Question

What is something that you're proud of?

or

What is something that you've accomplished in the past 2 years?

Explain to participants that this accomplishment can be as big as gradu-ating or as small as getting out of bed this morning.

Allow time for participant answers, show interest about their ac-complishments, and thank them for their answers.

To facilitate more conversation, ask the participants what motivat-ed them to reach that accomplishment.

Purpose

To make participants realize that accomplishments they have already achieved were once a goal in their mind.

Defining Goals

- Go through the definitions for different goals or you can ask participants to read aloud from their books.
- Ask participants what a goal of theirs is and write them down on the board.
- You can also give participants the option to come up and write out their own goal.
- Afterwards go through the goals on the board and ask participants to define which goals are long, short, and immediate.

Examples

Graduating
Buying a home
Starting a family
Travel
Start a business

Purpose

This question creates a smooth transition into the next activity, which is splitting up individual goals into short, immediate or long-term goals.

Immediate Goals	Short-term Goals	Long-term Goals
<p>Immediate goals can be accomplished today or within the next week/month.</p> <p>Immediate goals are usually goals that contribute to one big goal.</p>	<p>Short-term goals take 6 months to 1 year to achieve.</p> <p>Short-term goals can also help you achieve a larger goal.</p>	<p>Long-term goals can take 5-10 years to achieve.</p> <p>These goals typically involve big life changes hence why they take years to accomplish.</p>
Examples	Examples	Examples
<p>Writing a resume, signing up for classes, apartment searching.</p>	<p>Applying for jobs, enrolling in classes, improving your credit.</p>	<p>Getting your dream job, graduate with a degree, buying your first home.</p>



Specific

Measurable

Action-oriented

Realistic

Time-based

Have participants read aloud the definitions or go through them as a facilitator.

Specific: Goals should be clear and easy to remember. Who, what, where, when, why?

Measurable: Ways of knowing how close you are to achieving your goal.

Action-oriented: Physical actions you need to take to reach your goal.

Realistic: Ensure your goal is achievable and not impossible.

Time-based: Putting a time limit or deadline on your goal helps you stay focused on the goal.

1. Use the long-term goal from the previous activity (medicine wheel) or encourage participants to choose a new goal.
2. Once you have chosen a long-term goal, go through it as a group to demonstrate how to “SMARTify” a goal.
3. Now, have participants work individually to apply the smart method to their own goals.
4. Facilitate the group and help participants through the activity.

Purpose

To make a goal clear, measurable, and achievable by adding more definition and instructions to complete the goal.

Example

Goal: To graduate from “school name here” high school by June 2020 by attending class every day, and doing all of my work.

Specific: Yes, because we know when and how they will graduate.

Measurable: It’s measurable if you’re passing or failing classes and attending every day.

Action-oriented: Attending school, studying and putting in the effort.

Realistic: It is realistic.

Time-based: The June 2020 deadline makes this goal time-based.

Medicine Wheel Activity

1. Start by asking the participants to reflect back to the Medicine Wheel teaching discussed in chapter 2. Briefly go over the four aspects of the medicine wheel IE; mental, emotional, spiritual, physical.
2. Remind how everyone is born with “Mind” “Body” Spirit” and “Heart”.
 - These are the 4 components to one’s self
3. Draw a medicine wheel on a whiteboard or flipchart paper, large enough to write goals in each piece of the wheel.
 - Draw a path with curves
4. Pick a goal to have at the end of the path.
5. Start the path with Mind (mental)
 - Mind is about is getting into that mentality of setting goals
 - Being a aware and taking care of your mental health along your journey down the path
 - Ask participants to come up with goals that relate to the mind or mental aspect of the wheel and write them down on the medicine wheel
6. Next is Body (physical)
 - Ask “What does your body need to do to accomplish your goal?” and write them down
 - ◆ Need to be in good health
 - ◆ Getting rest
 - ◆ Exercise
 - ◆ Eat well/properly
 - ◆ Take initiative to attend classes to learn
 - ◆ Etc.
 - How do you take care of your body when it is under stress, when you’re not feeling well, etc.? Write down the answers on the board
 - ◆ Resting
 - ◆ Eating better
 - ◆ Asking for help when you need it
 - ◆ Be aware of your limits
 - ◆ Etc.
7. Heart (emotional)
 - Ask “what do you do to make yourself to feel good?” and write the answers on the medicine wheel
 - The “Heart” is about being honest with your feelings in a good away
 - What makes you happy and trying to take the time to do the things that make you happy



- Take the time to reflect where your emotions are coming from
8. Spirit (Spiritual)
 - Ask “what do you we need to do to keep your spirit healthy?” and write the answers on the medicine wheel
 9. The path that you drew to the long-term goal represents the journey one takes along the way to achieving this goal. Ask the participants what are some possible challenges one may face along the way to this long-term goal.
 10. Pick a challenge and ask the participants how we can use what we wrote in the medicine wheel to overcome it. Repeat 2 or 3 times.
 11. Mark the progress the person makes along the path with each challenge that is overcome; eventually reaching and achieving the long-term goal written down. You may want to draw one or two detours to represent how things rarely go exactly as planned and we often have to go a different route than expected; but remind them that as long as we are moving forward, this is perfectly fine.

Purpose

To demonstrate how we must use mind, body, spirit, and heart to overcome obstacles and achieve what we want in life. Often, our original plans must be reevaluated and changed based on unexpected happenstance.

Solving Problems step by step

Go over the seven steps to problem solving and provide discussion for each.

Personal Problem Paper Activity

1. Give each participant a piece of paper and tell them to write a personal problem or challenge they are facing right now.
2. Tell them not to write any names because this activity is completely anonymous.
3. Once participants are all finished, ask them to fold their papers in half and pass them to the front.
4. Collect all of the papers and hand them back out randomly to the participants. If somebody received their own problem then switch it off for a different one.
5. Tell them to give solutions to their peers by writing it on the papers.
6. The papers will go around the room completely until everyone has written solutions and received their own paper back.

Purpose

This activity is for the class to show support for one another by giving possible solutions to their peer's problems/challenges. It also gives multiple perspectives and solutions to the challenge.

Newspaper Activity

1. Split the participants into even teams.
2. Give each group a stack of newspapers and 10 pieces of tape.
3. Tell the class that there is a reason for everything you do in this class.
4. Tell each group to build the highest tower without giving any further instruction.
5. Give participants a few minutes of building time and begin tearing away pieces of their tower or taking supplies away.
6. Do not communicate why you are sabotaging their towers or give them any warnings.
7. After a while get them to stop building so that you can explain the purpose of the activity.
8. After the activity, ask participants the following questions:
 - How did you feel during the process?
 - What made you feel that way?
 - What could you have done?

Purpose

To demonstrate in a fun way that life doesn't always go according to your plans. Sometimes we may take 2 steps forward but 10 steps back; often requiring us to reevaluate our plans.

Junior Facilitator Alumni Advice

Always explain the purpose of each activity.

Creating an agenda prep sheet before each workshop is extremely helpful.

How you teach the curriculum is based on your participants.

The instructions are very basic, you as the facilitator have to create discussion and open up conversations.

Learn how to probe and use open-ended questions so that participants have to elaborate on their answers instead of just "yes" and "no" answers.

Indigenous Programs Developer Corner Advice

Once the participants complete the connecting assets activity, provide the groups with more realistic challenges to work through while using the same process.

Participants can also write a challenge on a piece of paper, pass it around and receive advice from others.

Overview
Goal
Icebreaker
Definitions
Needs vs. Wants
Setting Priorities
Simple Living
Junior Facilitator Alumni Advice
Indigenous Programs Developer Corner
Supplies List
Workshop cover sheet
Flipchart paper (if required)
Pencils, pens, and markers
Required Hand-outs
Evaluations (if stand-alone)

Chapter 4

Money Choices

Goal

The goal of this chapter is to identify the difference between needs and wants and how to prioritize between the two. Also, to bring awareness to all of the elements that influence our spending habits.

Icebreaker Activity

What's your favorite and least favorite things to spend money on?

Write the question on the board and ask participants to elaborate. Write their answers on the board.

Tip

For a tough crowd you can encourage conversation by asking the following questions.

- What is something you have purchased in the past week/month?
- What was the last store you went to? What did you buy?

Purpose

The purpose of asking this question is to raise awareness on where our money goes. An opportunity to think about why we make certain money choices and if there is room for improvement.

Definitions

Needs: Things that are necessary to live such as food, shelter, clothing etc.

Wants: Things we enjoy having but are not necessary for survival such as take-out food, designer clothing, TV's etc.

Priority: Something that deserves first attention such as rent, utilities etc.

Consumerism: The belief that it's good to buy consumer items and services often. Disposable items such as paper plates, utensils, straws etc.

Advertising: Ways of telling people about an item/service through billboards, social media, transit buses etc.

Needs vs. Wants

Create a T-chart on the board as shown here.

Ask participants to identify their needs and wants using their answers from the previous activity.

Place each item into the T chart and encourage more participant examples if the list is looking bare.

If an item falls under both needs and wants. Have a discussion around how it can be both and mark the item with an asterisk (*) beside the item.

NEEDS	WANTS
FOOD	TAKE OUT
SHELTER	GAMES
CLOTHING	BRAND NAME CLOTHES
*CIGARETTES	CIGARETTES

Purpose

The purpose of this activity is to learn the difference between needs and wants and to learn how to prioritize each. Also highlights how one's needs and wants can differ from another's.



What influences your spending habits?

- Go through the following influences and give thorough explanations of each.
- Throw in your own personal examples or call upon the participants to give examples.

Habits: Buying an item because you always have. It has become habitual for you.

Values: Ways of thinking and living that are important to us such as our culture or beliefs.

Peer Pressure: People you associate with that may influence your choices.

Time of Life: Your current life circumstances can be an influencer of how you spend money. (Marriage, Kids, etc.)

Feelings: How you feel at the time of a purchase or how the item makes you feel. (Break-up)

Family: Buying what your family prefers or recommends such as a certain brand name item.

Risk & Consequence: You may be influenced by an outcome of a purchase. Either a gain or potential loss.

Purpose

The purpose of explaining this to participants is so that they can realize how anything and everything contributes to our spending behaviors.

ADVERTISING

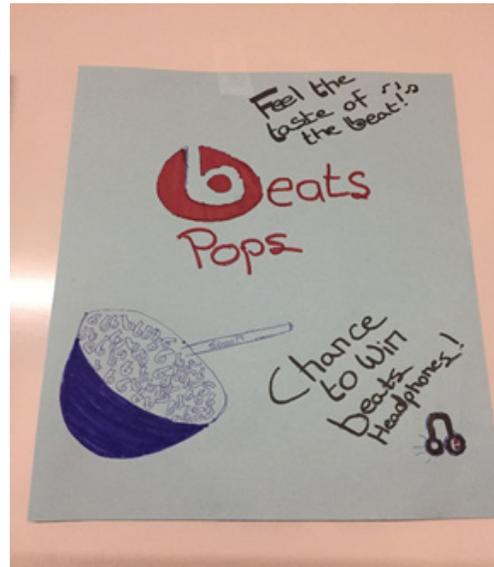
Discuss with participants how we, as consumers, are constantly targeted by advertisements. They are everywhere we go. As a consumer, there are 4 things an advertiser wants to make you feel.

Cereal Box Activity

- In this activity participants are asked to create their own cereal boxes.
- Participants need to include at least one or more of the advertising methods discussed.
- Participants may incorporate humor, health benefits, or even a prize into their creations.
- Give participants enough time to complete their cereal boxes. Times may vary depending on the dynamics of the group.

Purpose

The purpose of this activity is to demonstrate to participants the different tactics advertisements may use to capture customers.



Setting Priorities

Alternative Activity

- Explain the following to participants.
- One of the biggest challenges is setting financial priorities and sticking to them.
- By successfully setting priorities in your finances you can avoid falling behind on bills and losing any paid services.
- You can also use chapter 3 to help you set priorities/goals in your finances.

~

- Hand out the “Setting priorities” hand-out and ask participants to choose 6 items that are most important to them.
- Have a short discussion with willing participants around why they chose these particular items.
- Now, have the participants get into groups and choose 6 items as if they were a household.
- Once finished, ask participants if it was easier to set priorities individually or as a family.

Purpose

The purpose of doing this activity is to get a better understanding of why prioritizing is important. Participants also get to experience what it's like to set priorities in a family dynamic.



Reduce

Reuse

Recycle

Simple Living Discussion

Simple living is a lifestyle decision to focus more on time and relationships rather than consumerism and money. Applying the 3 R's is a good start for simple living.

- Reducing by buying less and donating items you no longer need.
- Re-using an item or finding an alternative way to utilize the item.
- Recycling so that items can be made into something new.

Traditional Lifestyle

The concept of simple living can also be seen as going back to a more traditional lifestyle. In fact, Indigenous peoples throughout the world thrived by practicing the three R's extensively.

- Reduce: Traditionally, Indigenous peoples only took what they needed in order to protect the delicate balance of the animals and plants that they depended on. They understood that if you take too much one year, there will be nothing to use the next year. By using the teaching that 'Everything has a purpose', they also reduced waste from the animals they hunted—no parts of the animal were wasted.
- Reuse: Indigenous communities understood, and often still do, the hard work it takes to acquire the different goods and materials that they made, gathered, or traded for. Because of this the usability of the items they used was extended as much as possible. Examples include reusing arrowheads from broken arrows or using the salvageable parts of a pipe to create a new one.
- Recycle: Again, the work that went into acquiring or making materials was not taken for granted. If something broke, it was often re-purposed for use. Examples include tearing old clothing into strips to use for binding.

Purpose

To introduce the concept of simple living and ways to reduce waste and stress that affect the environment in a sustainable way.

Junior Facilitator Alumni Advice

Before each class prepare an agenda covering the main points you would like to cover.

Having your own examples for the 7 influences on spending will help guide you through any silences.

Always have alternative questions or ways of getting the participants to participate.

Indigenous Programs Developer Corner Advice

Instead of choosing a cereal box they can choose a bag of chips.

Before getting into advertisements. Ask participants what their favourite commercial is and play it for the class if possible.

This could lead you into a discussion about the different advertising techniques.

Overview
Goal
Icebreaker
Definitions
Expenses & Liabilities
Gathering Information
Record Keeping
Forgotten Money
Junior Facilitator Alumni Advice
Indigenous Programs Developer Corner

Supplies List
Workshop cover sheet
Flipchart paper (if required)
Pencils, pens, and markers
Required Hand-outs
Calculators
Evaluations (if stand-alone)

Chapter 5

Gathering Information

Goal

The goal of this chapter is to identify different ways money moves in and out of a household and to provide tips on how to keep track of this information. Net worth is also discussed and calculated.

Icebreaker Questions

What is your first memory of money? What did you do with the money?

Purpose

We ask this question is because the way you experience money for the first time affects the way you think and use money today.

Definitions

Give participants the option to read aloud the definitions or go through them as a facilitator. Ask participants for examples or offer your own.

Income: Money coming in.

- A pay cheque, allowance from parents, government benefits, side business.

Expense: Money going out.

- Mortgage payment, monthly bills, entertainment, food, etc.

Assets: Items you own that have monetary value.

- House, car, cash, jewelry, electronics, etc.

Liabilities: Things you owe money on. Also known as debt.

- Mortgage, car loan, credit card debt.

Net worth: Way of measuring the value of what you own or owe.

- Assets – Liabilities = Net worth

Record Keeping: Keeping a record of your finances to exact amounts.

- Keeping receipts, writing down transactions or online banking.

Purpose

The purpose of going through definitions is to ensure that participants understand the key words used in this chapter.

Expense vs. Liability

Explain to participants the difference between a liability and an expense.

- A liability is any sum of money you owe. It can be the result of the purchase of an item or service.
- The expense is the payment towards that debt.

Purpose

To further clarify liability and expense so that participants fully understand the difference between the two for the next activity.

Gathering Information Activity

In this activity you will gather information for Jessica and Adam.

1. Give participants the gathering information handout.
2. Allow some time for the participants to finish the activity.
3. During this time list the 4 categories (Income, Expense, Assets, Liabilities) on the board.
4. Once participants are finished go through their answers and write them on the board.
5. If an answer is wrong then explain why and give the correct answer.

Purpose

To show participants what 'gathering information' looks like. Also to learn how to appropriately categorize your income, expenses, liabilities and assets.

Example

You have a total amount of \$1000.00 owing to your credit card but make \$100.00 payments each month. The total amount owing is your liability and the payments you make is the expense.



Gathering Information for Jessica

Jessica is a young, single mother of a 1 year old boy. Jessica is currently attending her first year of university to become a social worker. Jessica gets a monthly living allowance from her reserve and she also receives the Canada Child Benefit (Child Tax). Jessica hopes to one day purchase a used vehicle but she needs your help to get her finances in order. You have met with Jessica and found out the following information.

Help Jessica get organized by placing her information into the correct categories below.

	Amount
Outstanding Credit Card Debt	\$200
Rent	\$700
Groceries	\$300
Furniture	\$2,000
Outstanding Cellphone Bill	\$150
Cable/Internet Package	\$50
Living Allowance	\$1,200
Credit Card Debt Payment	\$100
Take-out Food	\$100
Jewelry	\$1,000
Outstanding Rent to Own debt	\$1,000
Baby Necessities	\$100
Hydro	\$30
Cellphone Debt Payment	\$50
Rent to Own Debt Payment	\$80
Laundry	\$30
Canada Child Benefit (Child Tax)	\$541
Daycare Payment	\$40
Take-out Coffee	\$60

	Amount
Expenses	
Rent	\$700
Groceries	\$300
Cable/Internet Package	\$50
Credit Card Debt Payment	\$100
Take-out Food	\$100
Baby Necessities	\$100
Hydro	\$30
Cellphone Debt Payment	\$50
Laundry	\$30
Rent to Own Debt Payment	\$80
Daycare Payment	\$40
Take-out Coffee	\$60
Total Expenses	\$1,640
Income	
Living Allowance	\$1,200
Canadian Child Tax Benefit	\$541
Total Income	\$1,741
Assets	
Furniture	\$2,000
Jewelry	\$1,000
Total Assets	\$3,000
Liabilities	
Outstanding Credit Card	\$200
Outstanding Cellphone	\$150
Outstanding Rent to Own	\$1,000
Total Liabilities	\$1,350

Gathering Information for Adam

Adam is a young, motivated man working a part-time job while attending school. Adam lives at home with his mother and does not need to pay rent or buy groceries. Adam wants to save up money to purchase a vehicle one day but is often left wondering where his money went. You have met with Adam to help him get his finances in order and found out the following information.

	Amount
Take-out Food	\$230
Credit Card Debt Payment	\$100
Monthly Net Income	\$1,100
Entertainment	\$190
Flat Screen TV	\$300
In-App Purchases	\$120
Outstanding Cellphone Debt	\$200
Side Jobs	\$250
PlayStation 4	\$300
Monthly Bus Pass	\$100
Cellphone Bill Payment	\$100
Take-out Coffee	\$70
Outstanding Credit Card Debt	\$500
Clothes	\$250
Laundry	\$50
Miscellaneous Spending	\$190
Furniture	\$500

Help Adam get organized by placing his information into the correct categories below.

	Amount
Expenses	
Take-out Food	\$230
Credit Card Debt Payment	\$100
Entertainment	\$190
In-app Purchases	\$120
Monthly Bus Pass	\$100
Cellphone Debt Payment	\$100
Take-out Coffee	\$70
Clothes	\$250
Miscellaneous Spending	\$190
Total Expenses	\$1,350
Income	
Monthly Net Income	\$1,100
Side Jobs Income	\$250
Total Income	\$1,350
Assets	
Flat Screen T.V	\$300
Furniture	\$500
PlayStation 4	\$300
Total Assets	\$1,100
Liabilities	
Outstanding Cellphone Debt	\$200
Outstanding Credit Card-Debt	\$500
Total Liabilities	\$350
Total Liabilities	\$1,050



Record Keeping

1. Ask participants if anyone currently record keeps or if anyone in their family does.
2. Encourage discussion around methods they have used or know of and then introduce these other ways of record keeping.
3. Expand on these methods by talking about the pros and cons of each. You may also include your own method you use for record keeping.

	Envelope	Ostrich	Shoebox	Journal or Calendar	Mobile Banking Apps
Method	Organizing money into envelopes labeled as different expenses.	Putting your head in the sand and not paying attention to your finances.	Saving all of your receipts and putting them into a box or shoe box.	Writing down your monthly transactions in a notebook or calendar.	Using an app that keeps a record of your monthly transactions.
Pros	No overdraft or monthly banking fees, less wasteful spending.	There are no pros. Ask participants their thoughts on this method.	Helps organize all of your transactions, are in one place, and are dated.	This method helps discipline you and make you fully aware of your expenses.	It's simple, effortless and it can make record keeping easier.
Cons	Cash can be lost or damaged, less security than a bank account.	No emergency fund or money to fall back on, Very disorganized.	Rarely do people go back and look at their receipts.	Journal may be lost/damaged resulting in lost records, and this method requires self-discipline	So easy that you may not even pay attention to your monthly transactions.

Purpose

To bring awareness to the importance of record keeping so you know exactly how much you are spending and where, rather than just having an idea. This information allows someone to create a plan for their spending--this is known as a budget.

Forgotten Money

1. Ask participants to share with you something that they buy often.
2. Ask how often a week they make that purchase.
3. Take the price of this item and calculate the weekly, monthly, and yearly cost. Example displayed on the right.
4. Encourage participants to write or do calculations.

Example

Coffee/Slurpee a day

\$2 x 7 days = \$14

\$14 x 52 weeks = \$728

Purpose

This activity highlights that buying small items frequently can add up to a large sum of money in the long run.

Net Worth

Go over the Net Worth calculations for Adam and Jessica from the previous Gathering Information activity.

Q:

What is Adam's net worth?

Total Assets - Total Liabilities = Net Worth

\$ _____ - _____ = \$ _____

Junior Facilitator Alumni Advice

If you're doing chapter 6 Budgeting as a standalone than merge this chapter into it as you can't teach budgeting without talking about record keeping.

Be aware of the time as it's easy to just blow through the material.

Being a facilitator is about keeping discussions going and participants interested.

Indigenous Programs Developer Corner Advice

Be sure to thoroughly explain the differences between expenses and liabilities as the majority of participants get caught up in the wording.

An elder can be brought along to explain the importance of keeping track of your expenses.

Overview
Goal
Icebreaker
Defining a budget
Building a Budget
Junior Facilitator Alumni Advice
Indigenous Programs Developer Corner
Supplies List
Flipchart paper (if required)
Pencils, pens, and markers
Required Hand-outs
Calculators
Evaluations (if stand-alone)

Chapter 6

Building a Budget

Goal

The goal of this chapter is to learn how to create a budget using the information gathered in the previous chapter. The session reinforces the importance of record keeping and gathering information.

Icebreaker Question

What is a big purchase you plan on making in the next year or two? How will you save enough to purchase this in time?

Purpose

The purpose of this question is to get participants to think about their financial goals and how they plan on budgeting enough money to meet them.

Defining a Budget

Budget: A budget is a plan for your money and should answer the 3 following questions.

- How much money will you earn this month?
- How much money do you need for your expenses?
- How much money can you save?

Income: Money coming in. (Wage, government benefits, side business)

Expenses: Money going out. (Rent, groceries, transportation)

- Expenses can be divided into 3 different categories. List the 3 different expense categories on the board and go through each. Ask participants for examples or provide your own.

	Fixed	Variable	Irregular
Expense	cost the same each month	change from month to month	things you don't buy often
Example	rent, car insurance	groceries, utilities	birthdays, holidays

Purpose

To understand the different parts of a budget so that you can properly categorize your expenses and build your own budget.

Building a Budget

Explain to participants what an over budget, under budget and balanced budget is before beginning the building a budget activity.

Under budget: Income is more than expenses which means you have extra money left over at the end of the month.

Over budget: Expenses are more than income meaning you spent more than you made.

Balanced budget: Your budget was determined accurately and it went according to plan.

In this activity you will build a budget for Jessica and Adam.

1. Give participants the option to read the instructions or read them out yourself.
2. Calculate the monthly savings goal for Adam and Jessica on the board. To find this divide the total cost of the goal by the number of savings months. For example in order for Adam to save \$3,000 for a car in 24 months divide 3,000 by 24 to get a monthly savings goal of \$125. In order for Jessica to save \$3,000 for a car in one year (12 months) divide 3,000 by 12 to get a savings goal of \$250.
3. Now ask participants to go through the information gathered for Jessica and Adam and make a plan so they can meet their respective monthly savings goals. To do this they must cut down on non-fixed expenses in order to meet their monthly savings goals. Remind them it has to be realistic to stick to.
4. Participants do this activity individually. Once finished encourage them to share their answers.
5. Depending on time you can then have participants split into groups and create a budget as a group. By doing this participants get to experience building a budget as a household.

Purpose

To put budgeting into practice so that participants can see an example of a person with a realistic goal and to make the adjustments needed to achieve that goal. We want to show participants that it is possible to achieve financial goals.

Also by having them build a budget as a group, it highlights how difficult it can be if it involves more than one person.

Cold Turkey Discussion

Often times in the budgeting activity participants will remove the “wants” from a budget entirely without thinking how that may be risky.

Cold turkey means quitting something suddenly without gradual reduction. By doing this you can potentially replace one bad habit with another or over indulge to make up for not buying that item for a while.

Purpose

We explain this to participants so they are aware of the risks of quitting a habit cold turkey.



Purpose

To practice preparing a budget in order to meet a savings goal by reducing spending in realistic ways.

Cold Turkey Realistic Changes, and Having a Plan

Often times in the budgeting activity we will remove the “wants” from a budget entirely without thinking how that may be risky.

Cold Turkey means quitting something suddenly without gradual reduction. By doing this you can potentially replace one bad habit with another or over indulge to make up for not buying that item for a while.

Realistic Changes and Having a Plan

When making budgeting decisions and looking at areas to reduce spending in, it is important to make our changes realistic. In addition, we need to have a plan in place in order to make those changes possible. For example, if we wanted to reduce our spending on take out food, a plan to make this possible may be to increase spending on groceries in order to prepare weekly meal plans and cut the need for eating out.

Purpose

The purpose of this discussion is so that we are aware of the risks of quitting a habit Cold Turkey. You can balance a budget so that you can have your wants while also taking care of your needs.

Junior Facilitator Alumni Advice

Be sure to inform participants that budgeting is not about eliminating your wants entirely but finding a healthy balance in your needs/wants.

Budgeting is difficult and will take many tries to be successful. Encourage participants to keep trying.

Share your own personal budgeting experiences.

Indigenous Programs Developer Corner Advice

Remember to be sensitive to the different experiences and stories participants will bring. Acknowledge their ideas and encourage participants by letting them know budgeting is not easy and will always change.

Chapter 7

Banking

Goal

The goal of this chapter is to learn about banking, to identify the pros and cons of both banks and credit unions and to raise awareness of fraud.

Icebreaker Question

Who do you bank with and why?

Always encourage participant's answers and try to create further discussion after each answer. Ask about the fees they pay and the services they get with that fee. Are their needs being met at their current financial institution? Why or why not? How did they choose that institution?

Purpose

To see why people bank where they do and to get the participants to begin thinking about whether or not their banking needs are being met.

Definitions

Banking: Using services offered by financial service providers.

Deposit: Funds being put into a bank account.

Bank Account: An arrangement with a bank/credit union to keep your money safe.

Withdrawal: Taking money out of an account.

Interest: A charge for borrowing money.

Balance: The actual amount of money in your bank account. This number can be negative too.

Service Charges: Monthly fee for using your bank account and also ATM withdrawal fee.

Overdraft: Using more money than available in account. Extra fees apply to having this services.

Purpose

The purpose of doing definitions is to ensure that participants understand key words that are frequently used in this chapter.

Overview

Goal

Icebreaker

Definitions

5 Banking Questions

Banks vs. Credit Unions

Junior Facilitator Alumni Advice

Indigenous Programs
Developer Corner

Supplies List

Workshop Cover Sheet

Flipchart paper
(if required)

Pencils, pens,
and markers

Required Hand-outs

Banking PowerPoint
(optional)

Evaluations (if stand-alone)

Financial Service Provider

A financial service provider is any business or company that offers financial services.

Financial services are ones that involve the financing or management of money.

The 5 Banking Questions

Many of us do not know or even think about what services financial institutions offer, how they make money, or how to cut down our banking costs. Here are 5 questions you should know the answers to in order to better understand how financial institutions operate.

1. What are the different types of financial service providers?

- Fringe financial services
- Bank/credit union
- Financing outlet
- Dealership

2. What services can you get from a financial service provider?

- Different types of accounts (checking, savings, TFSA)
- Online/Telephone Banking
- E-transfers
- ATM access

3. How do financial service providers make money?

- Interest
- Banking fees
- NSF
- Overdraft

4. How can a person reduce banking costs?

- Using the right account type
- Reduce transactions
- Use cash
- Review all bank statements

5. How can you protect your private information?

- Don't share your PIN
- Shred important documents
- Log off on-line banking
- Always cover your PIN

Purpose

To learn more about financial institutions and the different services they offer. Also to be aware of charges/fees and how you can reduce them.

Pros vs. Cons

1. You can give participants the option to come up and write or you can do it yourself.
2. Add in any missed pros or cons using the example key displayed below. Also feel free to include any personal examples/stories.
3. In this activity we speak about the pros and cons of different methods of using your money.
4. On the board create a blank T-chart like displayed below and begin discussing each of them, encouraging participants input.

	Cash	Debit	Online Banking	Cheque	Credit Card	Loan
Pros	No debit service charges, No hidden fees, convenient for cash only businesses.	Protection, easy to use, the tap feature, stolen money can be reimbursed.	Convenient to check account, e-transfers, online bill payments, cash cheques, 24/7 access, full history of transactions.	Having income, easy to write out cheques, safer for bigger ticket purchases.	Builds credit, sign-up bonuses, online shopping,	Can be used to build assets, can also build credit.
Cons	Money can be lost or damaged, no protection, urge to spend it quickly.	Card skimming, tap feature puts you at risk for theft/fraud, cards can break.	Banking websites go down for maintenance, at risk of being hacked, forgotten password.	Lost/stolen, bank puts a hold on cheque, processing charges at fringe financial institutions.	Can lead to poor credit, high interest rates, high credit limit can be tempting.	Payday loan loop of disaster, can be too much to pay off.

Purpose

The purpose of going through the pros and cons is to bring awareness to any benefits or risks that may come with these methods of using/managing money. Giving new knowledge on financial institutions allows participants to make decisions about services that are better suited to their lifestyle.



Prevent Phishing and Vishing

A company or government agency would not request confidential information or demand-payments via email.

If you are concerned about it you can contact the company or government agency using their official phone number.

Don't be skimmed!

You can avoid this by wiggling the slot where you insert your card to make sure the reader has not been tampered with.

If you are able to move the card reader avoid using that machine.

Always cover your pin!

Fraud

A criminal act of deception intended to succeed in a financial or personal gain for the thief. Anyone can be a target of fraud. Knowing these common scamming methods can keep you safe from fraud.

Explain to participants the following methods fraudsters utilize to access the personal information of potential victims.

Phishing: The thief targets victims through emails posing as a legitimate company or government agency demanding money, personal information or banking information. The emails are made to be believable and often time's people become frightened and give in to these types of scams.

A company or government agency would not request confidential information or payments via online/email. Beware of these scams and delete the email. Contact the company or agency using the websites number for any concerns.

Vishing: The thief targets victims through telephone calls and voice messages posing as a legitimate company or government agency. They will leave a message and a return number. Once you call back an automated message will request you to enter personal banking information.

You can avoid these scams by not answering the phone. If you are concerned about it you can contact the company or government agency using their official phone number.

Card Skimming: The thief will replace a card reader on an interac or ATM machine. This reader collects financial information from the magnetic strip or chip on your card. A camera or false keypad will collect your 4 digit pin making it possible for the thief to gain access to your accounts.

You can avoid this by wiggling the slot where you insert your ATM to make sure the reader is not replaced. If you are able to move the card reader avoid using that machine. Also if your card goes in more than 3 quarters of the way, it may be tampered with. Always cover your pin.

Purpose:

To raise awareness about the different methods fraudsters use to gain access to personal information and to learn and know how to protect yourself from being a victim of fraud.

Banks & Credit Unions

In this part of the workshop we explain to participants the differences between banks and credit unions.

1. Create a t-chart on the board with “Banks” and “Credit Unions”.
2. Begin discussing the differences among the two while writing key points on the board.
3. Creating a prep sheet with focal points is helpful for this activity.

Banks	Credit Unions
<ul style="list-style-type: none"> • Banks have a very corporate structure. • Banks are federally regulated and nationwide. • The customers are referred to as “clients” and the clients have no say in the bank’s decisions. • They donate 1% of yearly profits to sponsorships & grants. • Banks are run by shareholders. The more shares you buy the more power you have. • Shareholders can not only be a person but a company as well. • Board of director’s report to the shareholders and not to its clients 	<ul style="list-style-type: none"> • Run in a cooperative structure. • Credit unions are provincially regulated and not nationwide. • The customers are referred to as “members” and get a say in the institutions decisions. • Every member is entitled to one vote and they get to vote in their own board of directors. • These board members report to its members. (Community) • Credit unions donate 3% of yearly profits to sponsorships and grants. • 100% insurance coverage in the event of a robbery.

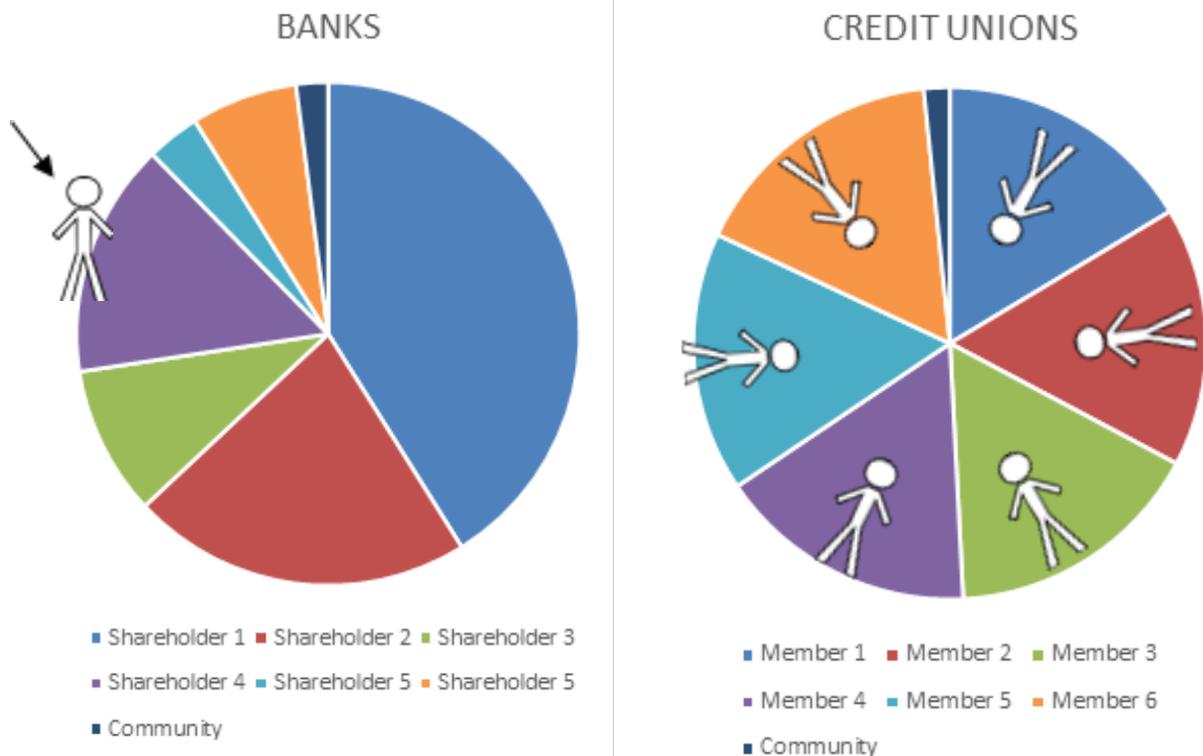
Purpose

To bring awareness to the differences between corporately run financial institutions and cooperatively structured financial institutions so that you can choose what suits your needs best.

Alternative

Explain the differences between banks and credit unions using a pie chart.

- Draw out two pie charts as displayed below and label them “banks” and “credit unions”.
- As you write/draw the important parts of the pie charts elaborate on them.
 - As you’re drawing the “client” stickman explain why he is on the outside of the pie chart.
- Using a pie chart adds visuals to the explanation and may be a good alternative for younger participants.



Purpose

To bring awareness to the differences between corporately run financial institutions and cooperatively structured financial institutions so that you can choose what suits your needs best.

Junior Facilitator Alumni Advice

Be sure to clarify what a fringe financial service is: A product a traditional bank does not offer.

Don't rely on the curriculum. Create a workshop agenda with key points you want to cover. By doing this you won't forget or miss a part.

Indigenous Programs Developer Corner Advice

Contact ACU two weeks prior to check availabilities for possible class facilitation.

SEED Winnipeg offers free bank accounts through Assiniboine Credit Union to those living on a low income and are underbanked or unbanked.

Chapter 8

Credit

Goal

The end goal of this chapter is to give participants a better understanding of what credit is and how it works. Also to bring awareness about the benefits and risks of using credit.

Icebreaker Question

1. Start off by asking the following question:

“How does someone get into debt?”

2. You can ask as a group or get answers individually.
3. The facilitator should look for answers such as: credit cards, banks, loans, lines of credit, overdraft, financing, credit, and borrowing from friends.
4. The facilitator will then ask students what they consider when people ask to borrow money or items from them. Point out the answers that relate to the 5 C’s of credit and then explain that these are also what banks look at when considering their credit applications.

Purpose

Participants will begin thinking about what lenders consider when someone is applying for credit (5 C’s of Credit). It will also introduce the topics of credit and debt.

Definitions

Credit: Money lent to you by a financial institution or business.

- Li bought a car on credit and now makes monthly payments to pay back the loan.

Good or Bad Credit: The credit score of a person or business determines “good” or “bad” credit.

- Chris wasn’t approved for a loan because he has poor credit.

Debt: Amount of money owed to a lender.

- Sarah owes \$1000.00 to her credit card, she is in debt.

Overview

Goal

Icebreaker

Definitions

Forms of Credit

Ways to Borrow

The 5 C’s of Credit

Credit Reports

Credit Ratings

Junior Facilitator Alumni Advice

Indigenous Programs Developer Corner

Supplies List

Workshop Cover Sheet

Flipchart paper (if required)

Pencils, pens, and markers

Calculators

Scrap paper

Required Hand-outs

PowerPoint (optional)

Evaluations

Graduation Certificate (if required)



Interest: A fee that comes with borrowing or a fee paid to you for saving your own money.

- At the end of a loan you end up paying more than originally borrowed because of interest fees. The amount of interest is calculated using annual percentage rates set by the lender.

Forms of Credit

1. In this part of the chapter we discuss the different forms of credit.
2. Give participants the option to read aloud or go through them as a facilitator.
3. When defining be sure to include examples for each form of credit.

Installment Loan	Revolving Credit	Secured Credit	Unsecured Credit
A loan that has a start and end date with fixed monthly payments & interest rates.	Credit with no end date and no fixed payments. It is like a cycle of using and paying back.	Credit that requires an asset worth monetary value as collateral just in case you fail to follow the contract.	Credit that does not require any collateral but is accompanied by higher interest rates.
Car loan/finance, mortgaging a home	Credit card, line of credit	Bank loans, car loans	Payday loans, money mart

Different Ways to Borrow

1. Explain to participants that there are several ways to borrow from credit lenders and we will be discussing them.
2. Give participants the option to read from their participant manuals or go through them as a facilitator.

Note: Really take time to prepare for this section.

A pay-day loan is a short term loan that is supposed to last you until your next pay cheque. The interest rates are usually extremely high for these types of loans.

There are risks that come with using payday loans. Due to the high interest rates it will take a larger cut of your next cheque and you will likely need to take out another loan and begin the process again, leading into a vicious cycle.

Using this type of loan will not improve your credit score because places like Money Mart do not report when you pay. Money Mart will report when you are not paying, because of this payday loans can only hurt your credit.

- These loans can be found at Money Mart, Cash Money, etc.



Companies will offer deals where you can take home items that day and make payments at a later date. This way of borrowing is an interest bearing option because during the time you are not paying the store is adding monthly interest to the original price of the item.

It is recommended that you make the payments before you're scheduled to begin paying to avoid these extra charges.

- These can be found at The Brick, Canadian Tire, etc.

Now you will explain and demonstrate on the board how simple interest and compound interest work at companies offering this type of deal.

1. Draw a couch on the board (optional)
2. Tell participants that you just took a couch home from a buy now pay later event and aren't scheduled to make payment until July, 2020.
3. Draw out the diagram below.
 - Couch was taken home July 2019, payments are not due till July 2020.)
4. Explain that the monthly interest fees are calculated using the company's annual percentage rate (APR) APR is the yearly interest rate. To find the monthly interest rate you must divide the APR % by 12.
 - 40% APR divided by 12 = 3.33% monthly interest.



Simple Interest

Interest is charged only on the principal (original) amount for each month.

You purchase a couch and take it home July 2019	\$1,200
Simple Interest 3.33% charged at the end of...	
August, 2019	40
September, 2019	40
October, 2019	40
November, 2019	40
December, 2019	40
January, 2020	40
February, 2020	40
March, 2020	40
April, 2020	40
May, 2020	40
June, 2020	40
Total Interest	440
Balance owing on the couch when you start making payments in July, 2020	1,640



Compound Interest

Interest is charged on the principal (original) amount plus the interest from previous months

1. Now go on to explain and demonstrate how compound interest works.
2. Erase the numbers from the previously created timeline.
3. Explain that in compound interest the monthly interest fee is calculated using the original amount + the interest from previous months.
4. You are not required to go through the full 12 months but make sure the concept is understood by participants.

You purchase a couch and take it home July 2019			\$1,200
Simple Interest 3.33% charged at the end of...	Monthly Interest	Interest calculated on	
August, 2019	40	1,240	
September, 2019	41	1,281	
October, 2019	43	1,324	
November, 2019	44	1,368	
December, 2019	46	1,414	
January, 2020	47	1,461	
February, 2020	49	1,510	
March, 2020	50	1,560	
April, 2020	52	1,611	
May, 2020	54	1,665	
June, 2020	55	1,721	
Total Interest		521	
Balance owing on the couch when you start making payments in July, 2020			1,721

Other Ways to Borrow

Line of Credit: A loan from the bank that's set up like a chequings account. These types of loans usually range from \$5000 - \$50,000 and are used for things such as home renovations or educational purposes. A line of credit is a form of revolving credit.

Overdraft: This banking feature allows you to spend more than what you actually have in your account. This is a safer alternative to taking out a payday loan. There is a monthly fee that comes along with this feature as well as interest after the grace period.

Personal Loan: Used for personal purposes such as vacations, education costs or to pay off debts. A personal loan can be called a car loan, consolidation loan, etc.

Student Loan: A loan from the government used for post-secondary education. Interest rates for student loans are low. In the case of bankruptcy, this type of loan is non-forgivable.

Rent-To-Own: An item that you rent until it's paid off. These loans are accompanied by high interest rates and you risk losing out on the item completely if you miss just one payment. In the event that your item gets "repo'd" (repossessed) you will not receive any money back that you've already paid into it.

Lease: A signed term agreement to rent an item without ever owning it. Leases are usually taken out on vehicles or commercial properties.

Credit Card: A credit card allows you to purchase items and services on credit. Credit cards have limits and are accompanied by interest rates. There is a 21-day grace period where you can pay off your credit card without any added interest. A credit card is not an income, you have to pay it back.

Pawn Loan: Exchanging an item as collateral for borrowing money. At pawnshops you are never given fair amounts for the items you pawn. If you do not pay back money they will keep the item. If you return for your item you will be paying the original amount plus a high interest fee.

Mortgage: A loan for purchasing a home. Interest rates on this type of loan will vary depending where you go. The home you purchase is usually the collateral for the bank if you don't make payments.

Purpose

To introduce different ways a person can borrow from a credit lender and the risks or benefits that come with each type of borrowing.

The 5 C's of Credit

When applying for any kind of credit through a credit lender they will use these 5 C's to determine your eligibility for the loan.

- Have participants read from their manuals or go through them as a facilitator.
- Thoroughly explain the TDS ratio with an example calculation.



Capacity: Credit lenders will use your total debt service ratio to determine whether you can live comfortably while paying off the loan and your other monthly expenses.

- TDS ratio: $\text{Monthly Expenses} / \text{Monthly Income} \times 100 = \text{must equal } 40\% (.40) \text{ or lower.}$

Character: The lender will determine how stable you are based off the following:

- How long have you lived in your current residence?
- How long have you worked at your current workplace?
- Do you have any negative spending activity on your accounts or do you save?

Collateral: An asset to secure the loan. Collateral can be an asset or a “co-signer.” There are risks that come with being a co-signer for somebody. If they don’t pay the loan than you are the collateral. Their debt will be your debt and it will also negatively impact your credit score if you do not pay it as well.

Credit History: The lender will take a look at your credit history to see what your history of borrowing looks like. Have you missed or been late on payments in the last 6 years? Do you have anything in collections?

Capital: Credit lenders want to know how much you invest into yourself. Do you have more than you owe? Do you have a down payment for the loan? The bigger the down payment the more committed you look to paying them back

Purpose

Participants will understand what lenders consider when someone is applying for credit. It will prepare them for what they need to improve upon if considering applying for credit.

Credit Reports

Credit reports hold all information regarding past and present credit history. This report includes payment history, past debts, current debt, and open accounts.

Credit lenders and landlords inquire about credit checks to see this information.

Every Canadian is entitled to one free credit report a year. You apply for these on paper, by mailing it to one or both of the bureau’s requesting a credit history report. By getting your credit checked it opens you back up to collectors.

Credit Scores

Credit scores range from 300 to 900 with 900 being the best and 300 being the worst. The average Canadian sits at a score of approximately 650. A considerably good rating is about 720. You can use Borrowel or Credit Karma to check your most recent credit score.

Everybody has 2 credit scores, they may not have be the same. It depends if the credit lenders you borrowed from reports to one or both of the credit bureaus.

Credit Bureaus

There are 2 credit bureaus in Canada: Equifax and Transunion. They hold your credit information but your credit score may be different for each. Borrowel (Equifax) and Credit Karma (Transunion) are reliable ways to check your credit scores. Beware to not check your credit

score if you do not want to be found by creditors you owe money to.

By requesting a credit report once a year from both bureaus prevents identity theft and helps to protect your credit.

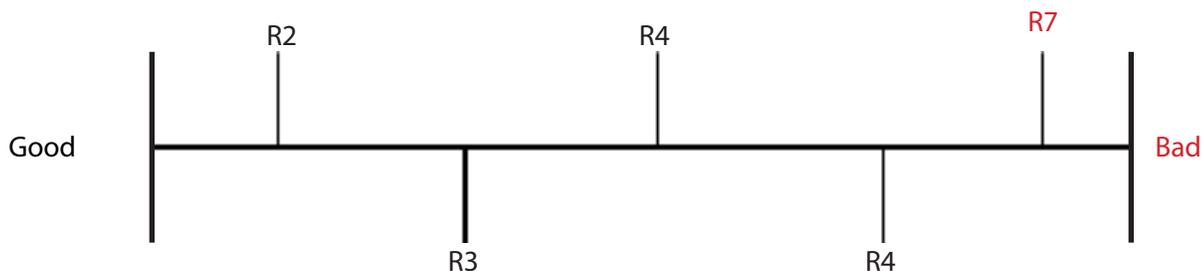
Purpose

To gain more knowledge about credit reports and who holds your credit information. It is important to understand these things if you have credit or plan to use it.

Credit Ratings

Below is a scale used by credit reporting agencies to keep track of your credit payment history. It tracks whether payments were on time, late or missed.

1. Draw out the diagram below and begin talking about each rating starting with R1.
2. Explain that there is no “R6” rating in this scale if they ask why it’s missed.



R1: This is the best R rating you can possibly achieve. Having an R1 rating means that you pay your bills in full and on time. You may even pay bills in advance. (Credit card, phone bill, etc.)

R2, R3, R4, R5: These R ratings represent missed payments on credit purchases. The rating will go from R2 up until R5 depending on how many months you have missed payments. The R6 rating does not exist.

R7: Reaching an R7 rating means that your debt has gone to collections. Credit counselors can work out a deal with vendors to negotiate lower interest rates. The account will stay at this rating until fully paid.

R9: This rating means you have claimed bankruptcy. Unfortunate circumstances have led the individual to no longer keep up with payments and still live life sustainably. All debt is wiped but this option comes with a cost and you will not be able to use credit for 7 years. Anything in collections will also be an R9 too.

Purpose

To show participants how credit reporting agencies track credit payments and what each R rating means on the scale.



Q: Is negative credit activity automatically cleared after 7 years?

A: The seven year debt myth is a well-known one but what many do not know is it's not 100% accurate. In a majority of cases debt will be wiped clean after the 7 year mark but in others the debt will stay.

It all comes down to whether the original credit lender still reports your debt to the credit bureau(s).

Q: Will paying off my debts instantly repair my credit report?

A: Paying your debts may improve your credit score but credit reports have information on your current credit standing and your credit history. Negative credit information will take time to fix or get rid of.

Frequently Asked Questions

Junior Facilitator Alumni Advice

Do APR and TDS diagram examples on the board to make sure they thoroughly understand.

Go through the compound and simple interest calculations until you are confident enough to facilitate it.

Bring along an agenda sheet covering the main points of each activity.

Knowing and understanding the information in this chapter is extremely helpful.

Indigenous Programs Developer Corner Advice

Depending on the age of the participants they can apply for their credit history.

Bring along copies of Equifax and Transunion applications.

Note of caution: If they are not ready to problem solve their credit history then they should not apply as creditors can now locate where you are through the address provided on the app.