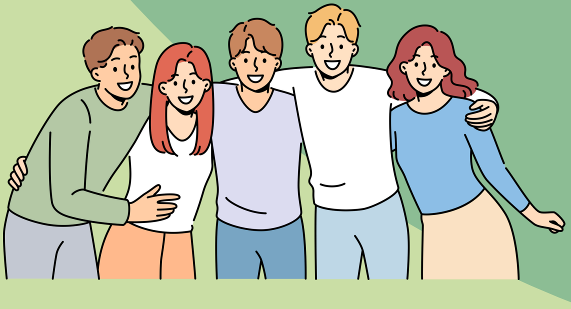
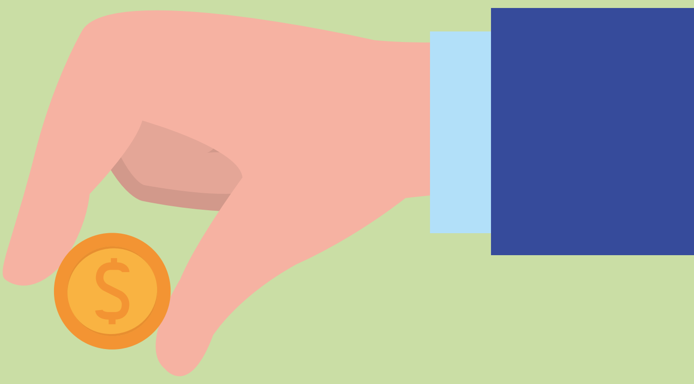
Money Matters; A Young Canadian's Guide to Financial Literacy



Tips for young Canadians to build on their financial literacy. Regardless of race, religion, gender, education or culture.

1 What is Financial confidence? Why is it important?



There is not one universal depiction of "financial confidence", however, there are certain measures that someone can evaluate when learning about their own financial confidence.

- **Self-efficacy:** Can you can make effective financial decisions?
- **Self-assurance:** Do you believe in yourself, to act and follow through on those decisions?
- **Self-determination:** Do you have the intention and willpower to take control of your finances?

Typically, people under the age of 35 tend to lack financial confidence and capability. This should not be the case, it is extremely important to start investing, saving, budgeting and financially preparing for your future from a young age.

Did you know; The sooner you start saving, the more poweful compound earnings become, the more your money can do for you.

Financial literacy/confidence from a young age allows Canadians to build their credit score, have greater financial resilience during unpredictable life events, allows them to be independent and self sufficient, limits their susceptibly to money scams and provides them with crucial knowledge when it comes to debt management and prevention.

2 How do you build financial literacy?

1. Talk to a financial advisor*
2. Create a weekly budget, and stick to it. Start of with a basic budget, food, entertainment, rent, utilities, transportation and debts. Build from there.
3. Understand your banking/savings options (TFSA*)
4. Check your credit. If you haven't started building credit, apply for a credit card*, make small purchases and pay them off quickly.
5. Create a hierarchy of debt. Pay of the biggest debts with the highest interest rates* first, working your way down.
6. Read up on financial literacy from books, blogs or podcasts. (But remember... not all financial advice is correct, always consult a professional).

Financial Advisor: A professional who can assist you in creating and implementing a personalized plan to pursue your financial goals.

TFSA: Tax Free Savings Account

Credit Card: Borrow funds within a pre-approved credit limit. Great way of establishing a credit score at an early age.

Interest Rate: The cost you pay for borrowing money, on top of the original loan amount.

3 Useful Platforms/Tools to Build Financial Literacy

There are countless, websites, apps, blogs, software and people to learn financial literacy from. Examples that you can use include;

Apps

- **YNAB (You Need A Budget):** Phone, mobile device, or desktop app designed to track money goals and increase financial knowledge.
- **PocketSmith:** Track your spending, forecast your daily account balances, and create custom budgets to help you take control of your money.

Literacy Programs

- **Money Matters:** Free introductory financial literacy program that has reached more than 100,000 Canadian adults.
- **Your Financial Toolkit (The Government of Canada):** An online learning program providing financial information and tools.

Books

- **Pay Less for College:** By Elizabeth Walter and Debra Thro; all about saving for post-secondary education, scholarships, grants and loans.
- **Why Didn't They Teach Me This in School?** By Cary Siegel; packed with valuable tips and tricks for budgeting, spending, investing, insurance, mortgage, credit cards, and many more topics.

4 What are some barriers young Canadians face on the topic of financial confidence?

Age: The average Canadian student graduates with $28,000 in student debt. Having to navigate such difficult finances at a young age can be stressful and discouraging.

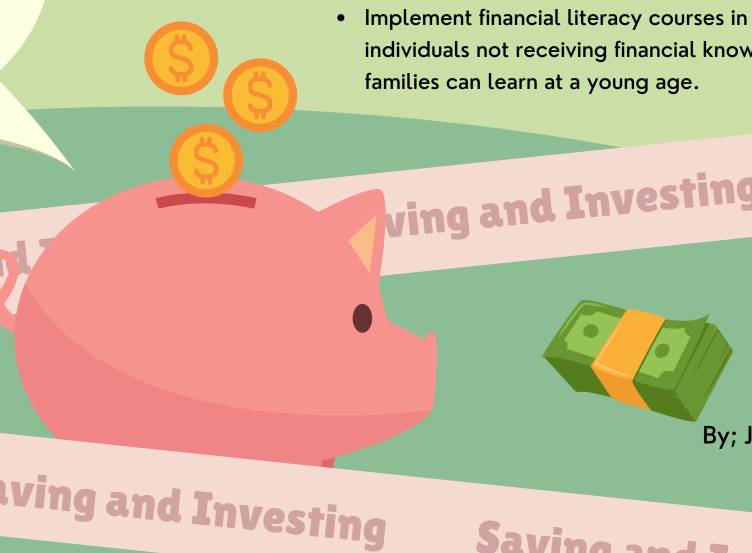
Access to resources: Immigrants and minority groups may face additional challenges, such as a language barrier when interacting with financial professionals, or a lack or understanding/knowledge of the Canadian financial system.

Lack of Financial Education: Fewer that 35% of Canadian youth feel confident managing their finances. Typically due to limited knowledge and experience when dealing with finances.

Childhood: Those who grew up in low-income families, lived paycheck-to-paycheck or grew up with certain cultural norms/ attitudes towards money may have difficulty navigating their finances. Studies show that people with lower incomes are less likely to be financially literate.

How can we ensure No One in left behind?

- Develop culturally relevant content that respects and values diverse communities.
- Create financial education programs that are free and easily accessible, (i.e. Social Media)
- Implement financial literacy courses in high schools, so that individuals not receiving financial knowledge from their families can learn at a young age.



By; Johanni