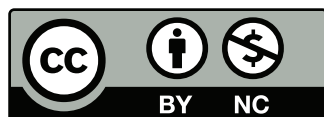


Planning

Taking Care of Your Money

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Viewing Your PDF Learning Package

This PDF Learning Package is designed to be viewed in Acrobat. If you are using the optional media resources, you should be able to link directly to the resource from the pdf viewed in Acrobat Reader. The links may not work as expected with other pdf viewers.



Download Adobe Acrobat Reader: <http://get.adobe.com/reader/>

Overview

Section Organization

Lessons

Lessons have a combination of reading and activities to give you a chance to process the material while being an active learner. Each lesson is made up of the following parts:

Activities

Throughout some lessons you see self-checking activities.

If your learning package contains self-check activities, you will mark these activities using the solutions at the end of the section.

Lesson Summary

This is a brief summary of the lesson content as well as some instructions on what to do next.

At the end of this section you will find:

Solutions

This contains all of the solutions to the Activities.

Glossary

This is a list of key terms and their definitions.

Icons

Throughout the section you will see a few icons used on the left-hand side of the page. These icons are used to signal a change in activity or to bring your attention to important instructions.



Planning online resource (optional)

This indicates a resource available on the internet. If you do not have access, you may skip these sections.



Solutions

Taking Care of Your Money

You will be dealing with budgeting, balancing savings and spending, paying taxes, and using credit throughout your life. This is a good time to start learning how these concepts function. Being knowledgeable will help ensure that you make good financial decisions in the future. In this section you will explore each of these topics in detail and learn how and why they are important.

You will also do some research into a financial plan for yourself for after graduation.

Note: This section of Planning requires Internet Access to the Canada Revenue Agency online to complete part of your Section Assignment.

In this section you will:

- Analyze your own budget.
- Define various forms of investments.
- Explore compound interest.
- Set financial goals and make plans to meet them.
- Explain the basics of the Canadian tax system and complete a tax form.
- Explain the basics of credit.

Lesson A

Budgeting

Overview

How many times have you received money and couldn't decide whether to buy that new CD or save it for that school trip you wanted to take? Or maybe you used your debit card to buy a CD and found yourself short of money later. In this lesson, you will create a personal **budget**. This will help you plan realistic spending.

Summary

Completing this lesson will help you to:

- Create your own budget.
- Analyze how realistic your budget is.

Activity 1**My Two-Week Budget**

1. The first step to creating a budget is to track your expenses for a period of time. To begin, consider all your sources of money and how you spend it.

Sources of money, or revenue, may come from a job, or selling your services or goods you create as a self-employed person, inheritance, investments—for kids, an allowance would count as “revenue.” All the ways you spend your money are called “expenses.”

Tip: If you have completed *Planning: Money Awareness and Financial Literacy*, you can use the *My Two-Week Budget Form* you created for that section. Skip ahead to step no. 3.

The *My Two Week Budget* form, that follows, lists possible expenses. Add your own that aren’t on the list in the spaces provided. Next, input all of your amounts in the “Predicted Amount” column of *My Two-Week Budget Form*.

2. For the next two weeks, record your revenue, and all of your expenses. Save receipts, check your bank statement online, and write down all of the places you spend money. Record these at the end of the two weeks in the “Actual Amount” column of *My Two-Week Budget Form*. Add up the totals. How close were you to your predicted amount?
3. Reflect upon your two-week budget. How could you change it to work better for you? Have you included saving some money for a big purchase or your future education? What surprised you? What did you learn about your spending habits? What do you need to change and why? How would you go about making these changes? Write one paragraph of approximately 200 words discussing this on a piece of paper.

(To review how to write a paragraph, see the lesson on this foundational skill in the *Appendix*.)



Turn to the Solutions at the end of the section to find some guidelines for your completed budget.

My Two-Week Budget

A	B	C	D	E	F
		Predicted Amount	Predicted TOTAL	Actual Amount	Actual TOTAL
	Income				
	Wage/Salary				
	Allowance				
	Gifts				
	Other				
1	TOTAL INCOME				
	Expenses				
	Housing				
	Rent				
	Cleaning Supplies/Services				
	General Household Goods				
2	Subtotal				
	Utilities				
	Cable				
	Telephone				
	Internet Access				
	Cellular Phone				
3	Subtotal				
	Food				
	Groceries				
	Meals Out				
	Snacks (coffee)				
4	Subtotal				
	Personal Care				
	Clothing				
	Dry Cleaning				
	Accessories (shoes, belts, etc.)				
	Haircut/Style				
	Hair Products				
	Makeup				
	Miscellaneous				
5	Subtotal				

LESSON A: BUDGETING

A	B	C	D	E	F
		Predicted Amount	Predicted TOTAL	Actual Amount	Actual TOTAL
	Entertainment				
	Subscriptions				
	Memberships				
	Hobbies				
	Movies/Performances/Concerts				
	CDs and DVDs				
	Vacation				
	Sports expenses				
	Other Leisure Activities				
6	Subtotal				
	Transportation				
	Car payment				
	Car Insurance				
	Public Transportation/Bus fare				
	Gas/Oil				
	Parking/Tolls				
	Repairs				
	Licenses/Registrations				
7	Subtotal				
	Other				
	Savings				
	Medical Expenses not covered by Insurance (medication, glasses)				
	Medical Insurance				
	Tuition				
	School Expenses				
	Child Care/Babysitting				
	Pet Care				
	Donations				
	Gifts				
8	Subtotal				
	TOTAL EXPENSES (Lines 2 + 3 + 4 + 5 + 6 + 7 + 8)				

Lesson B

Balancing Your Saving and Spending

Overview

Do you save money by putting it in your piggy bank or another safe place where it may not be accessible? The growth of this amount totally depends on you adding to it. Do you keep your money in a bank account? This amount can grow from the “interest” you make by “lending” your money to the bank. You may not realize this, but if you invest in something other than a bank account, your money can actually grow so you have more money to spend, or save for a future purchase or for college or university. Investing can also involve risks that include losing some of your money. In this lesson you will learn about basic types of investments and how they work. You will also decide how much money you would like to save for a later date.

The Magic of Compound Interest

Compound interest is when the money that your investment makes earns you still more money. It has been compared to a snowball rolling downhill that grows larger with each revolution.

David Chilton in “The Wealthy Barber” explains the importance of young people taking advantage of the “The Magic of Compound Interest” by starting early. For instance, consider these two scenarios:

The first young adult saves \$2000 each year from ages 19 to 26 and invests it in an account that realizes a return of 10% per year. She then no longer contributes anything, but leaves that money in the account until age 65. The total value of her investment at that time would be \$1,035,160.

The second young adult does not start saving until age 27. He saves \$2000 each year from ages 27 to 65 and invests it in an account that realizes a return of 10% per year. The total value of his investment at age 65 would be \$883,185.

The first young adult will have contributed a total of \$16,000 (8 years x \$2000.00) and at age 65 increased the value of her deposits by 64 times. The second will have contributed significantly more at \$78,000 (39 years x \$2000.00), but will have increased the value of his deposits only by 11 times.

Chilton's explanation of compound interest is still relevant. But at the time of this writing, interest rates are no longer so high. A "high interest" savings account at a major bank advertises a 1.2 percent interest rate. Just four years ago, the same account gave 4 percent interest. Interest rates are always changing.

Activity 1

Exploring Compound Interest



See how compound interest affects what your money can earn with current interest rates today. Try searching for "compound interest calculator" online. When you choose a tool, make sure you input a current interest rate in the interest rate field.

Compound Interest Calculator: Quickly calculate your savings

Use our quick and easy tools to calculate Compound Interest. Discover the miracle of compounding.

Present Value
(Principal Amount)

\$ 1000

Annual Interest Rate

1.2 %

How many years?

10

Calculate Interest

Based on Principal Amount of **\$1000**, at an interest rate of **1.2%**, over **10 years(s)**:

Total Value = \$1126.69

Total Interest = \$124.469

What are Investments?

- An Investment means putting your money to work for you.
- By investing your money, you are hoping that your money will make money.

Interest is the Key

- Interest is the amount of money paid for the use of money.
 1. When we have a loan at the bank, we pay the interest to the bank for using their money.
 2. When we invest, we receive interest for lending our money.
- There are two types of interest:
 1. Simple
 2. Compound

Simple Interest

Simple Interest is when the amount of money gained depends only on the original amount (principal) invested.

Year	Principal	Interest Rate	Calculation	Calculated Amount	Total Amount
1	\$1000	7%	$1000 \times .07$	\$70.00	\$1070
2	\$1000	7%	$1000 \times .07$	\$70.00	\$1140
3	\$1000	7%	$1000 \times .07$	\$70.00	\$1210
4	\$1000	7%	$1000 \times .07$	\$70.00	\$1280
5	\$1000	7%	$1000 \times .07$	\$70.00	\$1350

In this example, the Total Interest earned is **\$350** in 5 years. After 20 years, the interest earned would be \$1400.

Compound Interest

Compound Interest is when the amount of money gained is calculated on the original principal plus the previous year's interest.

Year	Principal	Interest Rate	Calculation	Calculated Amount	Total Amount
1	\$1000.00	7%	$1000 \times .07$	\$70.00	\$1070.00
2	\$1070.00	7%	$1070 \times .07$	\$74.90	\$1144.90
3	\$1144.90	7%	$1144.90 \times .07$	\$80.14	\$1225.04

Year	Principal	Interest Rate	Calculation	Calculated Amount	Total Amount
4	\$1225.04	7%	$1225.04 \times .07$	\$85.75	\$1310.79
5	\$1310.79	7%	$1310.79 \times .07$	\$91.76	\$1402.55

In this example, the Total Interest earned is **\$402.55** in 5 years. After 20 years, the interest earned would be **\$2869.68 WOW!**

Rule of 72

The Rule of 72 is a simple way to find out how many years it will take to double your money based on compound interest:

$$\frac{72}{\text{Interest Rate}} = \text{Years to double your investment}$$

Risk/Reward Trade Off

Generally, the higher the potential there is to lose your money (risk), the higher the potential there is to make a larger amount of money (reward). For example, the Stock Market.

Similarly, usually if you invest your money in something with very low risk, the ability to make money tends to decrease. For example, a savings account.

Lender versus Owner Investors

Generally, when you invest your money, you are either:

- lending your money for others to use, such as a government bond

or you are

- purchasing part of a company, such as a stock

Summary

Completing this lesson has helped you to:

- Define various forms of investments.
- Explore compound interest.
- Set financial goals and explore a means to achieve them.

Lesson C

Types of Investments

Savings Account

The average interest rate is fairly low.

You can access your money very easily in person or through an ATM at any time these services are available.

Term Deposit

- An investment that is for usually less than one year.
- A lender investment.
- Pays a fixed amount of interest for a fixed amount of money, for a fixed period of time. For example, you may need to invest \$100, knowing that at the end of 5 months you will have earned \$20.
- There is normally very little risk.
- No fees are charged.
- Interest rates are higher than with savings accounts.
- Your money is “locked” in for a fixed amount of time.
- There is a penalty to withdraw your money before the end of the term, and sometimes the penalty will cost more than what could be made in interest.

GIC

- Guaranteed Investment Certificate
- A lender investment
- An investment that is usually for more than one year.
- Pays a fixed amount of interest for a fixed amount of money, for a fixed period of time. For example, you may need to invest \$1000, knowing that at the end of 16 months you will have earned \$250.

- Normally requires a larger minimum deposit than for a term deposit.
- There is normally very little risk.
- No fees are charged.
- Interest rates are higher than with savings accounts and term deposits.
- Your money is “locked” in for a fixed amount of time.
- There is a penalty to withdraw your money before the end of the term, and sometimes the penalty will cost more than what could be made in interest.

Bonds

- A lender investment, lending money to the government or corporations.
- They pay a fixed interest rate for a fixed period of time. When the period of time is up, the bond is said to have “matured.”
- There is some risk, depending on the type of bond being purchased.
 - Canada Savings Bond—the safest investment, backed by the Government of Canada
 - Corporate—is sold by a private company to raise money. If the company goes bankrupt, bondholders have “first dibs” on the property of the company.

Stocks

- An owner investment
- By purchasing a stock, you own part of the company you’ve invested in.
- You will gain money through their profits (the amount of money the company will make). These are called Dividends, which are company earnings “split up” between the shareholders.
- This can involve a high level of risk.

Mutual Funds

- Both a lender and owner investments.
- Money from many people is pooled together.

- This gives an investor more to work with and the ability to purchase investments that would be difficult for one person to purchase as they can be very pricey.
- These investments can be a combination of stocks, bonds and other investments. These create what is known as a portfolio.

Activity 1

Making Money Grow

You may have heard people talk about investments at home or on TV, but what exactly are they? Most students don't have the opportunity to invest their money, but learning about investments now will help you invest wisely when the time is right.

Answer these questions.

1. List two types of interest.
2. Using simple interest of 7%, how much total interest would you earn on \$1000 after 20 years?
3. Using the same information as in the last question, what would the total be if you use a compound interest calculation?
4. Use the Rule of 72, and an interest rate of 12%, calculate how many years it would take to double the amount of an investment.
5. List six types of investments.



Turn to the Solutions at the end of the section and mark your work.

Lesson D

Taxes

Overview

But in this world nothing can be said to be certain, except death and taxes.

Benjamin Franklin (1706–1790)

At one time or another you have probably heard about income taxes. Just what is this mystery that everyone likes to complain about? Income tax can be a complicated issue, but the basic theory behind it is easy to understand.

In this lesson you will explore the Canadian taxation system. You will learn why we pay taxes and how the money is spent. You will also learn the importance of filing an income tax return, where to get help if you need it, and how to complete a basic income tax form.

Activity 1

Learning About Taxes

Note: If you do not have Internet access at home, visit your local library or other Community Access centre.



The Canada Revenue Agency (CRA), a division of the federal government, is responsible for looking after all taxation matters in Canada. One of their roles is to educate the general public about taxes. To do this, they have developed an online course called *Learning About Taxes* (http://www.cra-arc.gc.ca/ebci/cjpr/extrnl/frms/lrnSrvy.do?actn=ld&ca.gc.cra.cjtr.japps_commons.LANG=en) that explains the income tax system and demonstrates how it works. The entire course takes approximately two hours to complete. You can stop and start at any time, and review what you have done.

The course has four modules:

Module 1: Basics of Taxation

Module 2: Tax Filing Process

Module 3: Roles and Responsibilities

Module 4: Complete a Basic Tax Return

Access the course by going to the *Learning About Taxes* (http://www.cra-arc.gc.ca/ebci/cjpr/extrnl/frms/lrnSrvy.do?actn=ld&ca.gc.cra.cjtr.japps_commons.LANG=en) Web site. As you work through this course, answer the questions that follow on the next page.

1. Why do Canadians pay taxes?
2. List at least six things that the government pays for with the taxes collected.
3. List five guidelines that the Federal Government applies to tax legislation.
4. What was the first year Canadians had to pay taxes?
5. Why is Employment Insurance deducted from Canadians' pay cheques?

6. List eight items that are exempt from GST.
7. The CRA has two electronic tax-filing services. What are they?
8. Why do some Canadians receive a refund from the CRA?
9. Who is eligible for GST/HST credit?
10. List the tax responsibilities of individuals.
11. When was the “Your Rights” document originally introduced?

12. What is considered to be the underground economy?
13. What are the penalties for those convicted of tax fraud?
14. What kind of information is provided on a T4 slip?
15. Why do tax forms have numbers assigned to the boxes?
16. What is the amount of Paul's taxable income?
17. On an income tax return, the amount owed box number is different from the refund box number. What are the box numbers?



Turn to the Solutions at the end of the section and mark your work.

Summary

Keep in mind that you can revisit the course any time to review your tax knowledge. It might come in handy when you file your first return, if you haven't already done so.

Completing this lesson has helped you to:

- Explain the basics of the Canadian taxation system.
- Complete an income tax form.

Lesson E

Credit and Debt

Overview

What is this thing we call credit? Credit is a lot like a “reputation” that you acquire over a period of time. It tells banks and other companies how reliable you are at paying your bills and sticking to agreements of paying things off, such as a loan or **credit card**.

A bad **credit rating** can stay with you for up to seven years. For this reason, it is very important to manage your credit wisely. In a few years, when you want to get a loan for a new car or another large purchase, you don’t want the mistakes you make now—such as not paying the balance of the new credit card—to come back to haunt you.

In this lesson you will learn many concepts that are related to credit and debt, and the importance of a credit rating.

Activity 1

Credit and Credit Cards

1. Take the *Credit and Credit Card pretest* on the next page and check your answers using the Solutions at the end of the Section.

Answer the following either true or false.

1. Most credit cards charge you interest even if you pay your balance in full each month.
 - a. True
 - b. False
2. Credit card companies don't like to give credit cards to people in their late teens and early twenties.
 - a. True
 - b. False
3. Your credit rating may be checked when you try to rent an apartment.
 - a. True
 - b. False
4. A "store credit card" is a credit card that can only be used at one company's stores.
 - a. True
 - b. False
5. Your "credit line" is the maximum balance the credit card company will allow you to have.
 - a. True
 - b. False
6. It's not a good idea to pay your balance in full each month because this will upset the credit card company.
 - a. True
 - b. False
7. All credit cards have an annual fee that you must pay to the credit card company.
 - a. True
 - b. False

8. Credit card companies can charge you a late fee even if you're only a couple of days late.
 - a. True
 - b. False
9. Credit cards can only be used to buy things. They cannot be used to obtain cash.
 - a. True
 - b. False
10. If you fall behind on your credit card payments, the credit card company is not allowed to report this to anyone. This is confidential information.
 - a. True
 - b. False



Turn to the Solutions at the end of the section and mark your work.

Activity 2

Calculating Interest

Many people tend to make large purchases on their credit cards. Others can rack up large sums with many smaller purchases if they are not paying attention to their spending. Unless they pay off the balance at the end of each month, they could be paying a lot more than they intended.

This activity gives you the opportunity to discover how much more an item costs if you pay for it slowly using your credit card.

Use **Option A** if you have access to the Internet. If you don't have access, use **Option B**.



Option A

1. Access the *Practical Money Skills for Life* Web site and scroll down to the “Cost of Credit” (<http://www.practicalmoneyskills.com/calculators/calculate/costOfCredit.php?calcCategory=debt>).
2. Input an imaginary purchase amount, the APR (the annual interest rate charged by your credit card company), and the monthly payment amount. What charges would you incur?

-
3. Calculate various amounts so you see just how much more an item will cost if you pay it off slowly. You may want to use the price of some of the merchandise you identified in previous lessons, such as furniture or electronic items.
 4. Record your observations.

Option B

Make a prediction for the real costs of the purchases. Then check your answers using the Solutions at the end of the Section.

1. You buy some new sports equipment on credit. Your card charges 19.5% interest. The cost of the equipment is \$1050.00. You pay the minimum balance of \$20.00 each month.
 - a. How long will it take to pay off the equipment?

-
- b. How much will you have paid in total for your purchase on credit by the time you have paid it off?
-

2. You buy a new outfit for your sister's wedding. It costs \$350.00. Your credit card charges 18% interest. You pay more than the minimum balance, to pay it off sooner—you decide you can afford to pay \$45 per month.

a. How long will it take to pay off your outfit?

b. How much will you have paid in total for your purchase on credit by the time you have paid it off?

3. How close were your predictions to the actual costs? Did finding out the true costs of these credit purchases affect your opinion on using credit cards to pay for consumer products?
-
-
-



Turn to the Solutions at the end of the section and mark your work.

Activity 3

Reflection and Discussion

Do you think there are times when it is acceptable to charge a purchase that will have a high interest rate? What are the dangers and/or benefits of doing this?

1. Discuss these two questions with three different people.
2. Record your discussions.

3. What kind of rules could you make for yourself regarding making such a purchase? Write down or record your thinking in a video or sound recording.

Summary

Credit is something you will have on a permanent basis, much like a driver's license. Use it wisely and it will be an advantage to you. Use it poorly and it could be an obstacle.

Completing this lesson has helped you to:

- Explain basic concepts of credit.

Lesson F

Life After Graduation: What Does it Cost?

Overview

Just how much is everything going to cost in your life after graduation? How much will it cost to live? What about rent prices? Will you be able to afford to go to school? What will tuition cost? Should you stay at home? Will you be able to work part time? Will you need a car?

Regardless of your experience in various financial situations, discovering how much you will have to spend after high school can be scary, and it is often surprising.

It's important to know just how much you should anticipate spending so you can make realistic financial plans. This lesson will get you started on this task.

Activity 1 Exploring Expenses

Check out what some people have to say about the expenses they had after graduation. Try to find stories from people who have chosen many different paths after graduation. Ask your interviewees:

- What expenses did they have?
- How did they finance what they wanted to do?
- Do they have any advice for you?



If you have access to the Internet, check on the videos in *Been There... Done That* (<http://media.openschool.bc.ca/osbcmmedia/pl10/pl104/pl1044a1a001.html>). Select "Money Schemes." View the "Expenses" segment for each person.

Activity 2
Find Out For Yourself

In this activity, you will explore the expenses related to three possible scenarios after you graduate:

- Living on your own and working
 - Living on your own and going to school
 - Living with parents and going to school
1. Research the approximate expenses for accommodation in an apartment if you are living on your own, or in a residence if you are planning on living away on campus during post-secondary education. Don't forget to multiply the monthly rental costs by eight to get the amount for one academic year! If you plan to attend post-secondary while living with parents and you are not paying rent, you may skip those fields. Research the approximate expenses for accommodation in an apartment if you are living on your own, or in a residence if you are planning on living away on campus during post-secondary education. Don't forget to multiply the monthly rental costs by eight to get the amount for one academic year! If you plan to attend post-secondary while living with parents and you are not paying rent, you may skip those fields otherwise fill in at least one Accommodation type.

Item Amounts to Research and Fill In:	
Accommodation—Rent	
Accommodation—Residence, no meals	
Accommodation—Residence, including meal plan	
Tuition for 1 academic year (8 months)	
Return transportation home if you are relocating for school (cost of a plane ticket, train, bus, etc.)	
Total Fixed Expenses	

Fill in the chart below with an estimate of what each costs. If you have completed your budget in Lesson A, you can use this to project your costs over the eight months. There are some additional fields at the end of the chart for you to personalize with your own expenses if required.

Item with Approximate Amounts:	
Food	
Books	
Recreation and Entertainment	
Local transportation (cost of a bus pass, or your own transportation)	
Total Variable Expenses	

Total for ALL expenses: _____

2. Once you've filled in the costs for your scenario of choice, answer the following questions:

a. Which amounts, if any, surprised you?

b. Has the information given you cause for concern? If yes, what options do you need to consider?

TIP: If you are trying to decide which option to pursue after graduation, try printing more than one copy of the charts and filling them in for the different scenarios. Compare your results for each. Does knowing the financial picture help you make your decision?

Summary

As you probably realize, this is just a quick glance at the realities of calculating costs. There will be emergency items that you can't always plan for. Prices change and usually increase. But think about these things and try to build contingency plans to cover these.

Completing this lesson has helped you to:

- Analyze your post graduation expenses.

Lesson G

Post-secondary Funding Sources

Knowing the cost of post-secondary education is one thing, but actually paying for it is another. Although a very worthwhile investment, many people often end up paying for their education for many years after graduation. However, there are ways to cut back on how much you will owe for post-secondary school. Learn about these options early and ensure yourself a brighter future.



This is a good time to review what some people have to say about financing their post-secondary education. You can do this by going to *Been There...Done That* (<http://media.openschool.bc.ca/osbcmmedia/pl10/pl104/pl1044a1a001.html>). Select “Money Schemes” and be sure to check out the “Finances and Advice” segment for each person.

Activity 1

Researching Financial Sources

There are generally six specific types of financial assistance available to most post-secondary students. Use this activity to find out what these are and how you can access this money.

Use the *Types of Student Financial Aid* (worksheet that follows). Print the worksheet so you can fill it out as you complete your research.

1. Research each type of financial aid and complete the form.
2. If you are aware of other sources that are not mentioned, list them under the “Other Sources” heading.
3. Need more information? Consider contacting a school counsellor, or using the following Internet resources if you have access.



- *Finding Information* (<http://media.openschool.bc.ca/osbcmmedia/pl10/pl107/pl107--1h001.html>)
- *Education Planner* (<http://www.educationplanner.bc.ca/>)
- *The Debt-Free Grad* (<http://www.debtfreegrad.com>)—A valuable resource for students making financial plans.
- *CanLearn* (<http://www.canlearn.ca>)—A federal resource and interactive planning tool useful for exploring learning and education opportunities, researching occupations, and creating financial plans to achieve your goals.

Be aware that there are many sources of money for students, and some are more practical than others. Knowing what they are now may help you access some of this money in the future.

Summary

Completing this lesson has helped you to:

- Identify various sources of funding for post-secondary education.

HANDOUT ACTIVITY 2
TYPES OF STUDENT FINANCIAL AID

	What type of help? (e.g., cash, paid work, etc.)	Definition	What are its criteria? (e.g., age, GPA, etc.)
Student Loans			
Grants			
Scholarships			
Bursaries			
Cooperative Education			
Apprenticeship Programs			
Other sources			

Solutions

Lesson A: Budgeting Activity 1

1. Do I have the budget sheet complete?
2. Did I fill in the projected amounts and the actual amounts on the budget sheet for as many items as possible?
3. Did I answer in my paragraph all the questions from #3?

Lesson C: Types of Investments Activity 1

1. Simple and Compound
2. \$1,400
3. \$3,869.68 or \$3,870.15 (if it's done all by hand)
4. 6 years
5. savings account, term deposit, GICs, bonds, stocks, mutual funds

Lesson D: Taxes Activity 1

1. To support government services
2. Any six of the following: roads, public utilities, education, health care, economic development, cultural activities, defense, law enforcement.
3. Any five of the following: fairness, simplicity and compliance, balance, stability, international competitiveness, economic growth, Canadian priorities, transitional implementation, consultation.
4. 1917
5. EI is deducted from pay cheques so that an employee who becomes unemployed can receive EI benefits.
6. Basic groceries, prescription drugs and most medical devices, most health, medical, and dental services, residential rents including university residences and boarding houses, purchases of used homes, local or municipal bus services and passenger ferry services, legal aid services, most bank services, most educational services.

7. Efile, Netfile
8. They have overpaid their income tax deductions.
9. Low income and over the age of 19.
10. Filing a tax return each year by the deadline, paying the correct amount of tax each year on time, giving the CRA the information necessary to assess the tax return for the year, getting help when necessary.
11. 1985
12. Illegal money-making activities and not reporting income
13. A fine or jail
14. income, CPP, EI, income taxes paid
- Lesson E: Credit and Credit Cards
15. For reference to information or other tax forms
16. \$6,200
17. Owe money 435, Refund 484

Lesson E: Credit and Credit Cards

Activity 1

1. false
2. false
3. true
4. true
5. true
6. false
7. false
8. true
9. false
10. false

Activity 2, Option B

1.
 - a. It will take 119 months, or 9 years, 11 months.
 - b. You will have paid a total of \$2379.96 for the sports equipment that cost \$1050.00.
2.
 - a. It will take 9 months to pay off the outfit.
 - b. The outfit will cost \$374.94, or \$24.94 more than the original cost.

Glossary

bank statement

a form provided by the bank that summarizes account information

budget

a plan that compares the amount of money a person earns in one month to the amount of money spent. It might also refer to the amount of money set aside for a particular use.

compound interest

a calculation based on interest rates and time, which shows how much interest your money earns over time

credit card

plastic card used to make purchases on credit

credit rating

a detailed record of past borrowing and credit payments

credit

borrowing money and promising to pay it back later

debit card

a card issued by the bank that allows you to pay for items or withdraw money directly from your bank account

fixed expenses

expenses that remain the same for a period of time, for example, a monthly gym membership payment that is always \$20 per month

income tax

taxes based on the amount of money earned by individuals and paid to the government

income

all of an individual's sources of money for a period of time, for example, a pay cheque or allowance

interest rates

annual percentage which when multiplied by your credit card balance equals the interest charge

invest

to put your money somewhere, in hopes that it will increase in amount

investments

different ways to invest your money, with the hope that it will increase in amount

reflecting

the activity of carefully considering the value of possible portfolio items for inclusion

selecting

the activity of choosing the best items for a portfolio

student loan

a loan given to a student to help cover the cost of post-secondary education

variable expenses

expenses that change during a certain period of time, for example eating-out expenses. One month an individual could spend \$20 at restaurants and the next month they might spend \$50.

Researching Skills

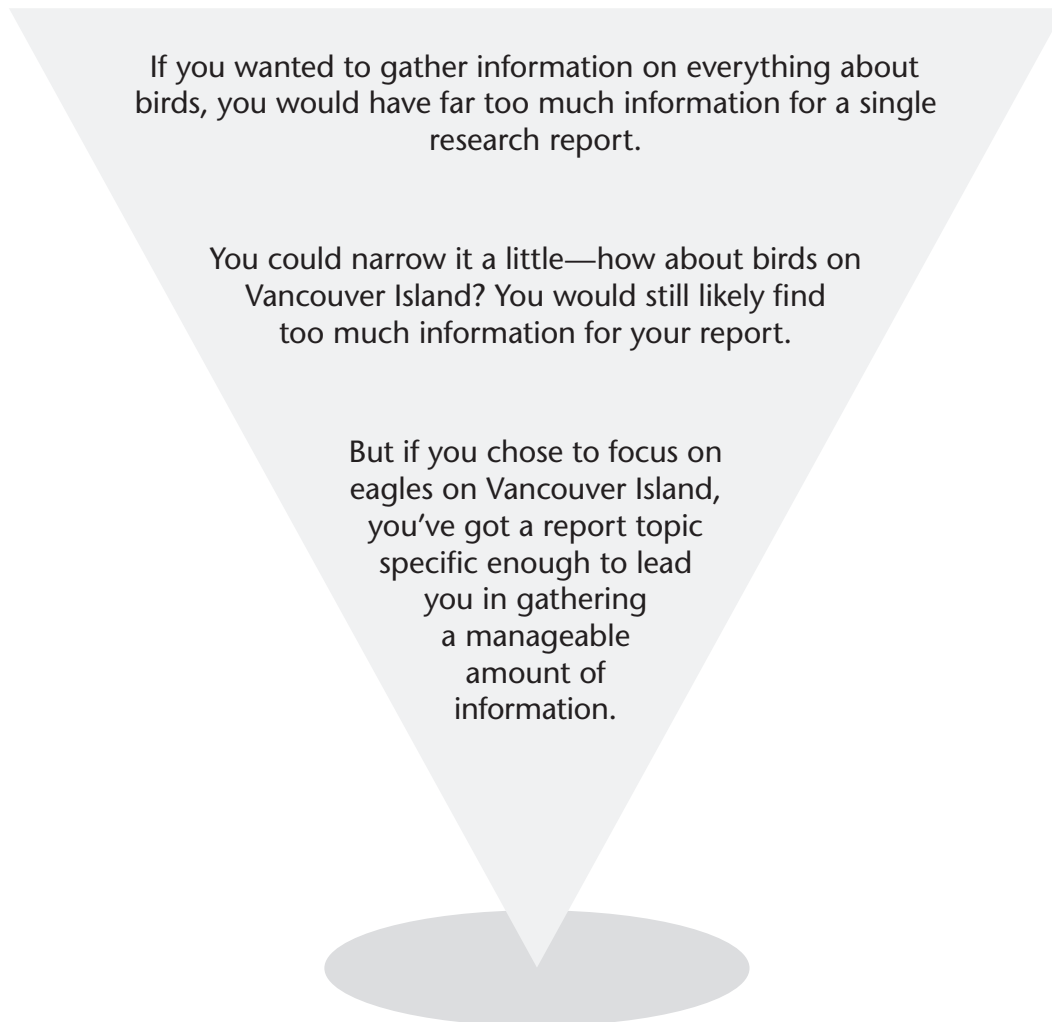
Conducting a Research Report

If your assignment is about something you experienced, like your first job, you won't need to research anything. But when you are asked to write about a topic that you don't have all the information about, you'll need to conduct research. Conducting a research report is a skill that involves three steps:



1. Find a Focus

You will want to narrow your topic to something you are specifically interested in.



You can define a research topic by identifying a series of critical or essential questions.

- Which of the topics that I've read about so far have interested me?
- Do I have any personal connection to any of the topics—family, friends, my leisure time activities, and so on that would make the topic more interesting to research?
- Have I studied any of these topics before?
- Do I already know of some resources I can access for any of these topics?

More Tips for Finding a Focus:

Find a Focus

Getting Clear

- List what you know about the topic and any questions you have.
- Talk about your project with friends and family members.
- Read a couple of articles on your topic. For example, try an encyclopedia or magazine article, or a chapter in a textbook.

Brainstorm

Brainstorm as many aspects of your question or ideas as you can. Then look for themes that may have emerged.

Idea Map

Use an idea map to help generate ideas and direction.

5 W's

Use the 5 W's to narrow down your question.



Whatever you decide, be sure to clearly identify the scope of your research before you get too far into the research process.

Before you begin looking for information, ask yourself:

What do I know?

Ask: What do I know about this topic before I look anything up?

List that information in your notebook. There! You have already begun your research.

What do I want to know?

Ask: What information do I want to find out about the topic?

List any questions you have about it.

Remember—the more general your questions, the higher the chance that you will be overwhelmed with information when you begin to do research. Make them as specific as possible.

How am I going to find out?

Break down the process into stages:

- Look at print resources and non-print resources.
- Balance the use of primary and secondary resources (this means first hand and second hand information).
- Take detailed notes from resources.
- Collect bibliographic information from sources.
- Critically analyze sources for quality of material. (Use your critical reading skills)
- Organize and condense notes into a manageable form.

Tips for Gathering Information:

Gather Information

The Internet

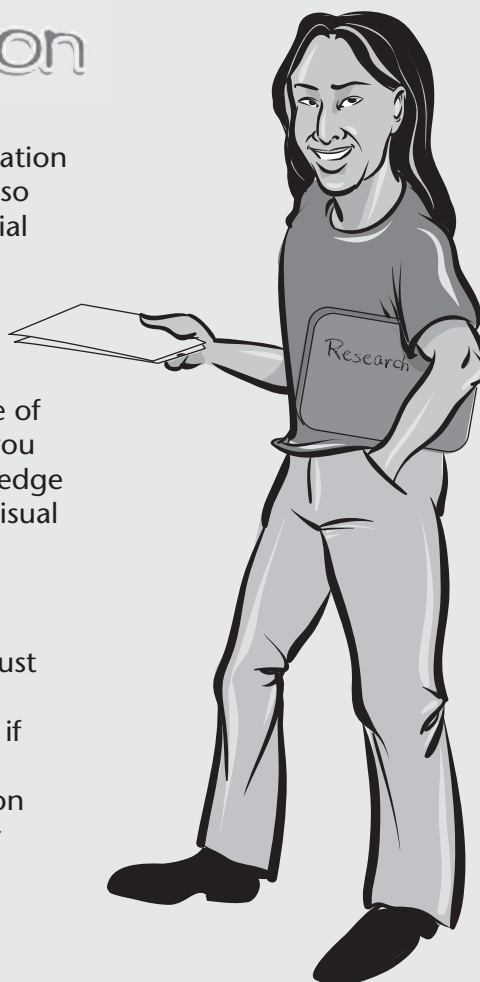
The Internet is a massive collection of information that can be valuable to you, but because it's so large and uncontrolled you need to use special strategies to use it effectively.

Other Sources

Because the Internet is easy to access, you may be tempted to use it as your only source of information on your topic. But in doing so, you could be overlooking some important knowledge that is only available in print or on an audiovisual resource.

Evaluating Information

Not all information is created equally. You must be careful not to think that "just because it's published it must be true." How can you tell if information is reliable? There are some easy questions you can ask yourself. See the section on building critical reading skills here in your *Foundational Skills Package*.



Below is a list of places to find information, and the kinds of information you can look for in conducting your research.

Where and What to Find

Kinds of Information

- books
- articles
- research reports
- government information
- statistics
- maps
- pictures, photos, images
- audio material
- video material
- expert opinion

Location of Information

- personal collections
- school library
- public library
- college or university library
- provided by teacher
- internet
- television
- other

Types of Resources

- books
- magazines
- newspapers
- encyclopedias
- dictionaries
- biographical dictionaries
- directories
- handbooks and manuals
- almanacs
- atlases and gazetteers
- audio/visual, including
 - » cassettes, CDs, videos, DVDs, slides
- microfilm and microfiche
- computer resources,
 - » including software, CD-ROMs, the internet
- interviews

Some more resources:

Libraries:

Your local public library, or school library is a great place to start. They will have some or all of the following:

- useful books you can borrow for free
- databases of articles
- encyclopedias and other reference material on CD or online

Try looking up their collections online, or phone the librarian if you'd like to find out more about possible resources before going to the library yourself. Don't forget your textbook! It may also be a good source of information.

Interviews:

Talking to other people can offer you ideas and perspectives that you may not have considered. Ask people what they think about your topic, and if they say something that you might use in your composition, note their words, the date, and place of the interview. Be sure you've spelled the person's name correctly.

If you know people who have lived the experience of one of the issues, you might want to conduct an interview.

Here's How:

- Ask them if they could speak to you about their experiences.
- Ask a few questions to direct the interview.
- Show the person your composition topic, and listen.
- Jot down notes or use a recorder to help keep a record of their comments.
- Finally, thank the person for sharing his or her story
- Offer a copy of the composition when it is complete.

Don't forget to cite the interview in your list of resources for the composition.

Online/Internet Searching:

If you have access to the Internet, it can be a useful tool for research. Check out the next researching skills, "Searching the Internet Effectively," for tips on the source of information

3. Use of Information

Use Information

Making Notes

You probably have some favourite ways for making notes on information such as writing or diagramming on notepaper, a word processor, or recipe cards, or recording using a tape recorder, video camera, or digital camera. Check out the prewriting section of the *Foundational Skills Package*.

Tracking Sources

There's nothing worse than having a great piece of information and forgetting where you found it. This will mean you can't use it because you're not able to cite its source. You'll need a system for tracking where you found your information right from the beginning. The best approach is to create a proper citation right away. Do this by hand, in an electronic file.

Plagiarism

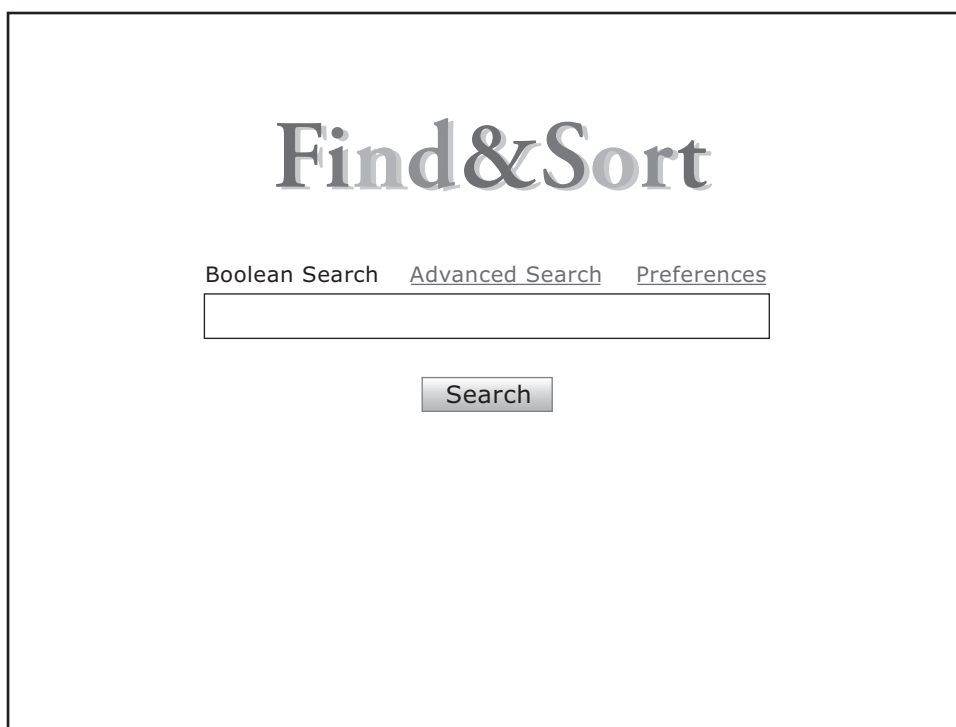
Plagiarism is the copying of original words, images, or ideas of others and using them as your own. It is an offence because people legally own their work. One of the most common—and often unintentional—ways to plagiarize is to cut and paste information into your project and not present it with a citation. It's easy for teachers to catch plagiarism, so don't do it! Instead, put ideas that are useful to you into your own words and cite the source. Or, if there is a particularly useful bit of information, quote it exactly and cite it. This way, you're a winner and so is the original author.

Researching Skills

Searching the Internet Effectively

The following skill is useful not only for searching the Web with a search engine, but also for searching databases or other digital reference material available at your local library, such as Encarta.

Finding and Sorting Information Online

A screenshot of a web search engine interface titled "Find&Sort". The title is in a large, stylized serif font. Below the title are three links: "Boolean Search", "Advanced Search", and "Preferences". The "Advanced Search" link is underlined. Below these links is a rectangular text input field. Centered below the input field is a button labeled "Search".

Think of finding and sorting information as a mini-research project! You have a question in your mind to which you are seeking an answer. You need to formulate a strategy to find your answer. Say, for example, you want to find out when a movie will be playing this weekend. You realize that you have lost your newspaper schedule, but you are sure there must be a schedule online somewhere. Thank goodness for the Internet! You log on and go to your favourite search engine to find the movie schedule. Too easy!

You enter the search term, “Movie Listings.” That’ll do it, right?!

The screenshot shows the Find&Sort search engine interface. At the top, there are links for 'Boolean Search', 'Advanced Search', and 'Preferences'. The search bar contains the text 'movie listings' and a 'Search' button. Below the search bar, a grey bar indicates 'Web results 1-10 of about 50,250,000'. The first result is 'Moviephone: Homepage - Movies, showtimes, movie' with a truncated description: 'Find movies, movie times, showtimes, theaters, listings, ratings, movie phone, movie pages, dvds, videos, trailers and more... movies.com/ - 50k'. The second result is 'Movie Link — Download movies online' with the description: 'Get the newest movie downloads. Check out the new movie titles and download a free movie. www.movelink.com/ - 26k'. The third result is 'Buy Movie tickets online' with the description: 'Buy movie tickets in advance. No more sold out! ... Find showtimes, for any movie in any theater in the US. Search by theater, ... www.buytickets.com - 45k'.

Not quite . . . Over 50 200 000 results have come up! Now what?

Try “Movies in BC” and you get fewer results until, finally, you type in “Movie Listings” + “Name of your community” + “BC” and there it is—what you need—at the top of a very short list.

This screenshot is identical to the one above, showing the Find&Sort search engine results for the query 'movie listings'. It displays the same search bar, result count, and three search results: Moviephone, Movie Link, and Buy Movie tickets online.

You have just completed a Boolean search!

A Boolean search = a way to combine multiple terms when searching the Internet. You form it like this:

TERM + TERM (where the terms are the key words you want to search)

Example: eagles + “vancouver island”

Remember you can include more than two:

TERM + TERM +TERM

eagles + “vancouver island” + nesting

The advantage of a Boolean search is obvious. You get to the information you need faster and easier. The more specific you can be with your search terms, the more efficiently you will find the information that you are after. And by really thinking through your search terms from a vague beginning to a detailed search, you will find that you have an even better sense of the topic that you are researching.

Note that most search engines have an “advanced search” option that will also allow you to compose a search with many terms. Try this if you wish to have more guidance than you would composing your own Boolean search.

Researching Skills

Evaluating Your Sources

Before you decide to use a source for your project, you need to ask these questions:

Who?

- Who wrote it?
- What are the author's qualifications, if any?
- Did the author include contact information?

What?

- What information did you find?
- Why did the author create it?
- Who is the target audience?
- Is the author being objective or biased?
- Is there any obvious conflict of interest?
- Advertisements?

When?

- When was this source published?
- Is the information current?

Where?

- Where was this information found?
- Is it a reputable source?
- If the source is a Web site, whose site is it?
- What organization sponsors the Web site?

If you are using the Internet (and you should if you have access to it!) remember that searching the Web can be like mining for gold. You have to go through tons of rock to find the gold nuggets!

The Writing Process

A. Paragraph Structure

A paragraph is a collection of sentences that develops one idea.

A **topic sentence** introduces a paragraph and is typically the first sentence in the paragraph. The topic sentence should be limited enough in scope so that it can be adequately developed in six to eight sentences.

Poor Examples:

There are many things that cause cancer.

This topic sentence is poor because it is vague: “many things” is not very specific. The topic is also too broad to discuss in six to eight sentences. In fact, a book could be written on this topic.

The Dixie Chicks won “Record of the Year” at the 2007 Grammy Awards.

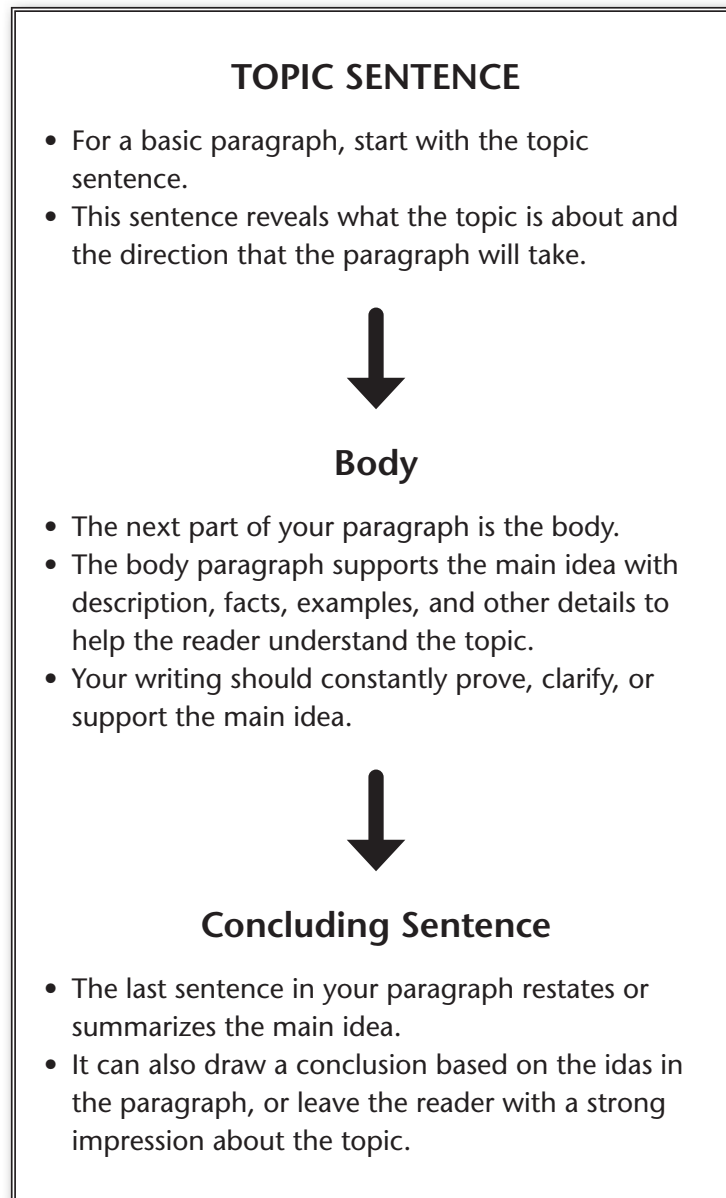
This topic sentence is poor because it is too limited. This is a statement of fact, so requires no further support.

Good Examples:

Friday is the best day of the week to go out for dinner.

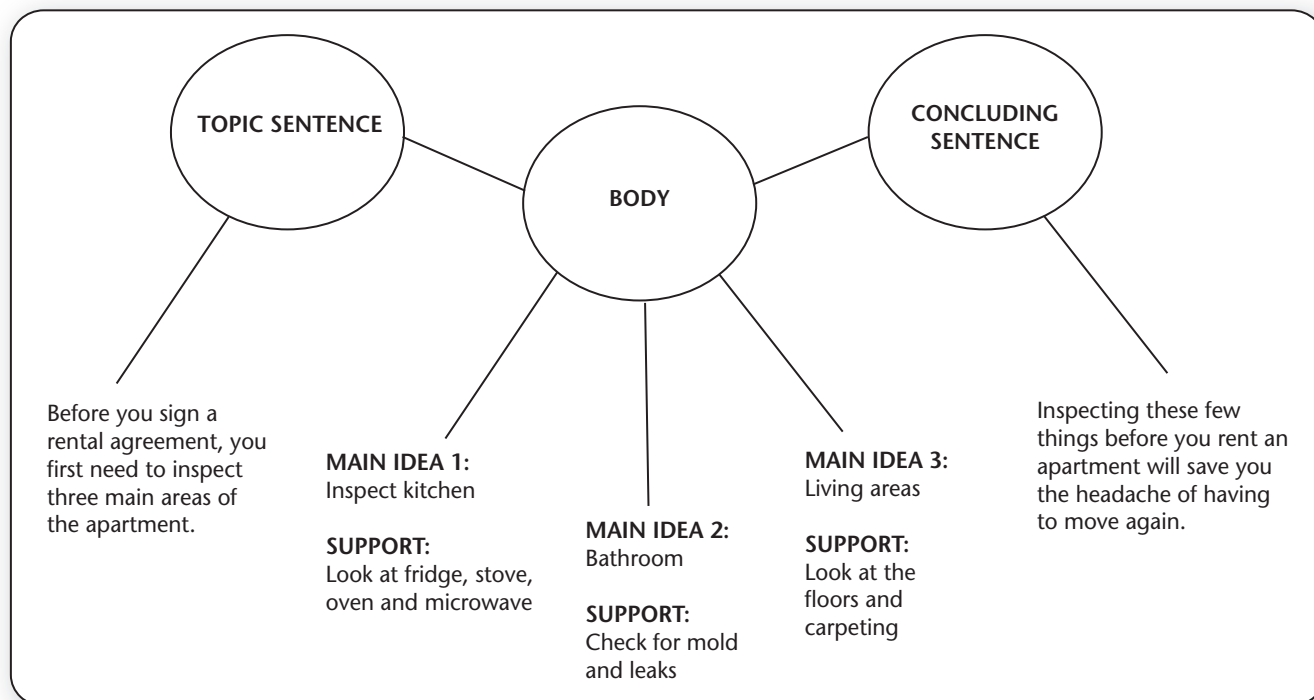
Before you sign a rental agreement, you first need to inspect three main areas of the apartment.

Paragraph Structure:



Writing a paragraph is hard work, but it can be easier if you follow a model and break things down into an outline.

Paragraph Outline:



Paragraph Composed From the Outline:

Apartment Inspection

Before you sign an apartment rental agreement, you first need to inspect three main areas of the apartment. First, you need to turn on the kitchen appliances such as the stove, oven and microwave, to see if they are in good working order. Next, check the bathroom. Take a look at the toilet to see if it is firmly secured to the floor and if there are any leaks. Also look in the bath or shower and make sure it is free of mould. In the living areas, inspect the floors. If there are bare floors, check to see they are clean and undamaged; if the floor is carpeted make sure it is clean—especially if you or your roommates suffer from allergies. Inspecting these few things before you rent an apartment will save you the headache of having to move again.