

It All Add\$ Up

A classroom resource that brings the financial world into the classroom and engages students in learning about the importance of understanding their personal finances and financial literacy. This package is part of the WE Create Change campaign.

Lesson Package for Grades 9 to 12
Canadian Edition

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Dear Educator,

Welcome to the WE movement. We are so glad you've joined us in our mission to inspire, educate and empower students to find their place in the world. Throughout the last two decades, educators have stood by us. With over 12,300 schools thriving in WE Schools, we are delivering impressive results in academic engagement, life skills and civic engagement. Through experiential service-learning, students engage in collaborative learning and independent reflection. As a result, students become more engaged in local and global issues.

Money is a part of everyday living, and financial literacy is one of the skills that will serve young people throughout their lives. It is important to have a solid foundation of knowledge on how to earn, save, give and spend responsibly. Learning how to earn money, tracking spending, budgeting and accountable spending are just a few of the financial assets that have enabled us to build an international charity. RBC has partnered with WE to help us bring financial literacy to youth across Canada so that they can make smart decisions with their personal finances.

The purpose of this package is to help you bring discussions about personal finances into your classroom. It is designed to guide students through scenarios, exercises and applications that will provide them with the experience to make smart financial decisions now and in the future.

This is an exciting time to be an educator. Together, we have the power to reignite the fundamental purpose of education: moving students to want to learn, and preparing them with the life skills to better the world and forge their own paths to success.

Thank you for having the passion to bring WE into your classroom. We are honoured and encouraged to work with such a dedicated and enthusiastic group.

We are stronger together,



Craig and Marc Kielburger
Co-Founders, WE



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Essential Question:

What is experiential service-learning and how can I incorporate it into my classroom instruction with WE Schools curriculum resources?

WE Schools

WE Schools is a unique, step-by-step program that challenges young people to identify the local and global issues that spark their passion and empowers them with the tools to take action. Educators and students work together to learn about the world and to take action to create meaningful change. Delivered in 12,300 schools and groups across North America and the UK, the program provides educators and students with curriculum, educational resources and a full calendar of campaign ideas.

What Is Experiential Learning?

Experiential service-learning is based on a structured academic foundation that goes beyond volunteering and community service. It's a practice that engages teachers and students with their communities in a structured way and allows students to meet their learning objectives while addressing their community's needs.

The Four Steps of WE Schools

- 1. Investigate and Learn**
Students explore topics related to a real-world challenge or opportunity.
- 2. Action Plan**
Students develop a plan to implement their service-learning project, including one **local** and one **global** action.
- 3. Take Action**
Students implement their action plan.
- 4. Report and Celebrate**
Students present the results of their service-learning initiatives.



Setting Students Up For Success: in school, the workplace and in life.

WE Schools Introduction: WE.org/we-at-school/we-schools/

Living WE: is about improving our lives and our world by reaching out to others. It involves focusing less on "me" and more on "we"—our communities, our country and our world.

Social Emotional Learning: The WE Learning Framework is grounded in social emotional learning principles, helping students develop the skills to manage their emotions, resolve conflict and make responsible decisions.

Global Mindset: the ability to operate comfortably across borders, cultures and languages is invaluable. WE Schools programming promotes global mindedness and cultural competency amongst student populations during their formative years.

Active Citizenship: Students act on their growing knowledge by connecting with others in their communities, thereby generating interest, further research and engagement in local and national causes.

Reflection is a key component of our experiential service-learning model. Our reflection activities direct students' attention to new interpretations of events and provide a lens through which service can be studied and interpreted.

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Our Learning Skills Legend



Argument formation



Information literacy



Leadership skills



Organization



Action planning



Research and writing



Critical thinking



Reflection

Look for these icons at the top of each page for the key themes of the lesson.



Earn



Save



Give



Spend

It All Adds Up Package Overview

It All Adds Up is a package of lessons that brings the financial world into the classroom and engages students in learning about the importance of understanding their personal finances. Lessons include detailed plans, blackline masters and appendices. The activities inform, engage and empower students to become more financially literate. Students will learn key vocabulary for understanding money matters, develop their ability to set and achieve personal financial goals, plan cost-effective fundraisers and more.

Ask your students what they already know about the financial world and where they fit into it; then build on that information by introducing the key themes of earn, save, give, spend. With the right tools and a little courage, students will feel empowered to make sound financial decisions that make an impact on them, their community and the world. Financial literacy is much more than math; look for ways to integrate tips, tricks and lessons into other subjects.

■ Rationale

RBC is an international bank that is passionate about education. A longstanding advocate and champion of financial literacy, RBC has a legacy of investing in Canada's young people and providing them with guidance to make smart decisions with their personal finances. RBC has partnered with WE on numerous initiatives, including this resource and the WE Create Change campaign, to further this goal.

Together we're helping youth gain the knowledge, skills and confidence they need to make smart everyday financial decisions and work toward their goals.

■ Assessing the Learning

You know your students best—their learning styles and preferences, skill levels and knowledge. You are in the best position to anticipate the habits of mind that will make this lesson package successful.

We are mindful that students in your class are at different levels, with some designated as English Language Learners. Be sensitive to students needs and continue to provide necessary accommodations for students who require additional assistance and support.

The teaching strategies include story sharing, reading, word wall, class discussion, thumbs up/thumbs down, T-chart, carousel, KWL chart (Know, Want to know, Learned), group work and gallery walk. Strategies to assess learning include discussion, entrance and exit tickets, in your own words, graffiti, ranking, graphic organizers, reflection, presentations and six minutes to discovery.

► Explore our resources and current campaign offerings at [WE.org](https://www.we.org)

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It All Adds Up: Contents

| Lesson | Goal |
|---|--|
| 1. The Role Money Plays in My Life | Students will learn how financial literacy will improve their personal finance skills by discussing personal experiences with money. |
| 2. What is an Entrepreneur and Social Entrepreneur | By identifying the traits and skills of entrepreneurs and social entrepreneurs, students will understand the difference between the two styles. Students will examine local and global examples. |
| 3. Money Fundamentals: Setting the Course for Financial Success | Setting realistic and attainable goals will help focus students actions and behaviour as they learn to manage their money. They will also learn to appreciate the effects each financial decision has on later decisions. |
| 4. Making Saving Simple | Students will recognize that the key to successful saving is delaying gratification, patience and goal setting. |
| 5. Finance Follower | One-click spending is still spending, just like paying with virtual money is like paying with physical money. The mindset may be different, but the result is the same. Students will examine, discuss and learn to understand these concepts. |
| 6. Budgeting 101 | This real-life application lesson takes students through organizing their money, setting manageable goals and ultimately budgeting. |
| 7. Make 150 Count | Students will demonstrate ways to maximize their dollars in this goal-setting activity that asks students to use a theoretical \$150 to make a difference in their community. |
| 8. Understanding Financial Empowerment | The concept of financial empowerment will be broken down and explored in local, national and international examples. |
| 9. Charity Fair | Students will learn how to run a successful fundraiser, taking into consideration everything they have learned about personal finance and apply it to this entrepreneurial project. They will also have the opportunity to research the financial goals of a charity or non-profit they would like to support. |
| 10. WE Create Change | Students will take action while putting their finance skills to use by taking part in the WE Schools WE Create Change campaign. |

It All Adds Up

Subject(s): Math, Business Studies, Social Sciences and the Humanities

Recommended Grade Level:

Grades 9 to 12

WE Learning Framework Skills:



Essential Questions:

- ▶ How will financial literacy empower your choices?
- ▶ Can entrepreneurial skills help you succeed?

Materials and Resources

- Cue cards, cardstock, slips of paper or sticky notes
- Chart paper
- Markers
- *NPR*, “**Everything You Own in a Photo: A Look at Our Worldly Possessions,**” www.npr.org/sections/pictureshow/2010/08/10/129113632/picturingpossessions?ft=1&f=97635953&sc=tw&utm_source=twitterfeed&utm_medium=twitter
- *Time Photos*, “**What the World Eats,**” world.time.com/2013/09/20/hungry-planet-what-the-world-eats/photo/nor_130523_139_x/
- *Time Photos*, “**A Worldwide Day's Worth of Food,**” content.time.com/time/photogallery/0,29307,2037749_2219823,00.html
- Appendix 1: Provincial Curriculum Connections
- Appendix 2: Glossary
- Appendix 3: Classroom Observation Forms
- Blackline Master 1: ME to WE Case Study
- Blackline Master 2: Goal Setting
- Blackline Master 3: S.M.A.R.T. Goals
- Blackline Master 4: Budgeting 101
- Blackline Master 5: Make 150 Count
- Blackline Master 6: Make 150 Count

Lesson 1:

The Role Money Plays In My Life



Suggested Time:

40 minutes

Learning Goals:

Students will:

- Learn how financial literacy will improve their personal finance skills.

Investigate and Learn

1. To begin, write the following two instructions on the board. As students enter, give them two pieces of paper or sticky notes, one for each instruction. Instruct students to respond to the two instructions without labelling which response belongs to each instruction and to not include their name.

- a. Name something that you later regretted spending money on.
- b. Name the most expensive thing you have ever purchased and where the money came from (e.g., earnings from a job, birthday savings, parents, etc.).

2. Collect the papers and put them into a jar or vessel. Randomly select and read out a few responses. Ask students to assign the idea to a category. After a few have been read aloud, discuss with students any similarities and differences. Ask students why we sometimes regret spending money and why it's sometimes easier to spend large amounts of money when it is someone else's money.

3. **Recommended Assessment For Learning:** Divide the class into four groups. Assign one of the following topics to each group and distribute a piece of chart paper and markers. Using the supplies, instruct students to respond and note any questions they have on the topic in a graffiti style.

- a. Earn: Why earn money? Guiding questions: Why do we need money? What do we spend money on?
- b. Give: Why give? Guiding questions: Who benefits? Who is responsible?
- c. Save: Why save? Guiding questions: How can saving serve you in the future? What might you save for? How do you save?
- d. Spend: How do I spend? Guiding questions: Whose money do you spend? How do you get money that you spend? What does it mean to spend responsibly?

4. Have a representative from each group present their graffiti charts with the class. After, post them on a wall in the classroom to be referenced for future lessons.



Extension: For homework, have students interview an adult in their life (parent, older sibling, grandparent, mentor, etc.) to gain some insight into adult living. Students may hand this in for assessment as learning. Students may ask the following questions, but are free to expand as well:

- a. What does it cost per month to live?
- b. Has money ever caused you stress? What do you do to lessen stress?
- c. Do you have any purchases that you have regretted? Why?
- d. If you could give your younger self advice, what would it be?

Lesson 2:

What Is An Entrepreneur And Social Entrepreneur?



Suggested Time:

90 minutes

Learning Goals:

Students will:

- Identify the traits and skills of entrepreneurs and social entrepreneurs and understand the difference between the two types of entrepreneurs.
- Examine the work of entrepreneurs and social entrepreneurs in their community.

1. Write the following on the board:

- a. Working for someone.
- b. Being an entrepreneur.
- c. Being a social entrepreneur.

2. Show students a video of Sir Richard Branson speaking about his experiences as a lifelong entrepreneur who now works to use his business skills to make positive change in the lives of others. **"Shameless Idealists—Sir Richard Branson,"** www.youtube.com/watch?v=15Pmcbzheok (22:36).

3. **Recommended Assessment For Learning:** Divide the class into groups of three or four. Groups will hunt for information. They will need to answer the following questions. The answers may come from the following video, the case study provided on **Blackline Master 1** or Internet research. This investigation will model the work they will do later in the lesson.

- a. What does ME to WE do?
- b. What makes ME to WE a social enterprise?
- c. What does ME to WE do to help solve problems within local and international communities?
- d. Why do you think it is important that such social enterprises exist?

4. Show **Jason Saul speaking about ME to WE as a social enterprise**, player.vimeo.com/video/135901291 (4:37).

5. Split the class evenly into three groups and assign one of the points written on the board at the start of the class. Have each group collectively work to define their point and create a profile. Students may consider the types of jobs, skills and traits.

6. Have one or two representatives from each group write their definitions and profile on the board underneath their respective point or read aloud to the class. Hold a brief class discussion using the questions below:

- a. What are some examples of each?
- b. What role does each play in our community—locally, nationally and internationally?

Educator's Note: A social enterprise is different from a charity because it operates as a business to generate profit. It is also different from a commercial business because it directly addresses social/environmental needs through products and/or services. Social enterprises combine commercial business and charity goals to generate income for social and/or environmental purposes.

7. Divide the class into pairs or small groups. Assign each group one of the following social entrepreneurs, or allow them to select their own:

- a. Emily Núñez Cavness and Betsy Núñez, co-founders, Sword & Plough (U.S.)
- b. Sir Richard Branson, founder, Virgin Group (UK)
- c. Muhammed Yunus, founder, Grameen Bank (Bangladesh)
- d. Jeff Skoll (U.S.)
- e. Anita Roddick (UK)
- f. Kavita Shukla, founder, Fenugreen (U.S.)
- g. Jane Chen and Rahul Panicker, co-founders, Embrace Innovations (U.S.)
- h. Jaspen "Jas" Boothe, founder, Final Salute (U.S.)
- i. Sean Carasso and David Lewis, founders, Falling Whistles (U.S.)

- 8. Recommended Assessment Of Learning:** Tell students they will research their social entrepreneur(s) and prepare a summary responding to the questions below. To differentiate for students' diverse skills and abilities, summaries may be presented in a variety of ways (e.g., news report, "best of" report, transcript of an interview, etc.); students may select the format.
- Who is the social entrepreneur(s)?
 - What is the name of their social enterprise?
 - What social issue is the enterprise trying to help with?
 - What do they do?
 - What is the history of the social enterprise?
 - What sparked the founder to undertake the work of their social enterprise?
 - How do they raise awareness/market their social enterprise and its mission?
 - Was the social enterprise always successful?
 - Was it difficult for the social enterprise to gain support?
 - Where does the social enterprise work? Does their social mission benefit the local community? National community? International community?
 - What is unique about the social enterprise?
 - What are the social enterprises' goals for the future?
 - How can people get involved with them?
 - How does the social enterprise advertise and promote their mission or purpose (website, social media, television or radio commercials, etc.)?

- 9.** Allow students 10 minutes to complete their research and to answer the questions.

- 10.** After students have finished their research, have students share with one or two groups. Summarize by discussing the following as a class:

- What did you find interesting or surprising about the social enterprise?
- What makes it unique or similar to the others that you know of?
- What do you like about their social mission—how they work or the work that they do?
- Is there anything you would do differently if you worked for this social enterprise?

- 11. Recommended Assessment Of Learning:** As a reflection, have students identify five skills or traits of a social entrepreneur and hand it in when complete. Ask students to consider whether they would make a good social entrepreneur based on these traits. Are there any they would like to develop? How can these skills and traits be applied to other areas of life?

Lesson 3:

Money Fundamentals: Setting The Course For Financial Success



Suggested Time:

30 minutes

Learning Goals

Students will:

- Learn about the benefits of setting realistic and attainable goals.
- Appreciate the effects of each financial decision on later decisions.

1. Show students the reading of **Alexander, Who Used to Be Rich Last Sunday**, written by Judith Viorst, illustrated by Ray Cruz (1978), www.youtube.com/watch?v=4epex3iMeDM (6:26). After watching it, ask students if they can identify with Alexander and to share any similar experiences they may have.

Educator's Note: This book may also be in the school library. Share any personal money management experiences and lessons you have learned to reinforce that financial literacy is a lifelong learning process.

2. Tell students that thinking about and making financial decisions can feel overwhelming, but they already make many financial decisions and have been for years. Every purchase you make, every dollar you save, is a financial decision that affects your future decisions. Now it is important to ensure you make the best money management choices.

3. **Recommended Assessment Of Learning:** Distribute cue cards to every student. Instruct students to think about the financial decisions they make or plan to make in the future. For example, how to save money, how to make wise purchases, how to budget effectively. Ask students to write down three topics or questions they would like to learn more about or have answered. Collect the cards at the end of the class. Discuss a few examples selected from the cards.

Educator's Note: The terms earn, save, give and spend are key to helping students understand the basics of how money is used. The order in which students think of these terms will help them subconsciously manage their money in a smarter way.

4. Ask students what "earn," "save," "give" and "spend" mean. Next, have them rank the four terms in order of importance: Write one of the terms on the board. Next say another term aloud and ask students to give a thumbs up or thumbs down to indicate whether it should be listed before the term written on the board or after. Ask individual students to explain their choice as you progress through the list. Continue until all four terms are listed and ranked in an order most of the class agree with.
5. Ask a volunteer to summarize why this order makes sense.
6. Although there are many ways to order the four terms, tell students to think of earning as the first step, since without earning money there is none to save, give or spend. Saving should be next. If students make it a habit to save now, while they are young, they will be better equipped in the future. Giving comes from sharing with others. As children, we are taught to share. By applying it with your time or financially, we help promote causes we are interested in, assist people who face challenges that we do not, and more. Finally, there is spending. While spending is as important as the other actions, if not more, it should come last. Often, we are tempted to spend first, before we know how much money we have available. Or we spend before we think about saving and giving, then we run out of money before we can set any aside for the future. If we keep it till last, we will be in the best position for financial success and independence.
7. Ensure students understand how personal finance decisions affect their everyday lives and how earning, saving, giving and spending work together. One way to help understand how earning, saving, giving and spending are a part of a process is by setting financial goals.
8. Distribute **Blackline Master 2: Goal Setting**. Have students begin their process of goal setting by creating a list of three to five items for each of the following:
 - a. Ways to earn money
 - b. Items to save for
 - c. Organizations or campaigns to support
 - d. Items to spend money on now



Extension: Ask students to recall the video they watched of Sir Richard Branson and imagine they are social entrepreneurs. What types of goals would you set as a social entrepreneur? List three to five items a social entrepreneur would set goals for.

Lesson 4:

Making Saving Simple



Suggested Time:

60 minutes

Learning Goals

Students will:

- Recognize that the keys to successful saving are delaying gratification, patience and goal setting.
- Examine the saving concept of paying yourself first.

Educator's Note: To make the goal setting more meaningful or, if students are having trouble setting goals, use **Blackline Master 3: S.M.A.R.T. Goals** to take students through the process of setting specific, measurable, attainable, relevant and time-bound goals.

1. Show students the **Marshmallow Test**, which examines children's ability to resist temptation and defer gratification: www.youtube.com/watch?v=QX_oy9614HQ&t=84s (3:27).
2. Ask students to explain, by applying what they saw in the Marshmallow Test, the difference between studying the night before a test and watching TV instead.
 - a. What might be some short- and long-term reasons for studying the night before a test?
 - b. Why might someone choose to watch TV instead of studying?
3. Tell students that choosing to watch TV the night before a test is considered instant gratification. You want to enjoy TV now, so you watch it, but the consequence is that you fail the test, which lands you in summer school. Studying, on the other hand, results in a good test score and overall good grades, in the summer you're free to watch all the TV you want and more. Putting off something enjoyable now so that you have something even more enjoyable in the future is called delaying gratification.
4. **Recommended Assessment For Learning:** Write the question, "What is the connection between saving, patience and delayed gratification?" on the board. Ask students to turn to a partner and discuss the question.
5. Suggest to students that saving money is about being patient. It is good to begin with a goal to put money aside for, but then you must be patient and save money until you have enough to fulfill the goal.
6. Ask students to take a moment to independently think about how the Marshmallow Test or studying for a test is related to saving money. After a few moments, tell them to turn back to their partner compare their thoughts.

7. Ask for a volunteer to apply the Marshmallow Test results to savings that receive interest. Ask students when is the best time to start saving. (Now, when you are young and have time on your side, is the best time. You will set yourself up for long-term success and hopefully develop the habit of saving at an early age.)
8. Tell students that savings can take different forms. It might not be easy at first, but as you see the savings grow you will see the rewards. If you set up a savings account to automatically pay yourself first, you learn to live without that money. Regular automatic transfers to a separate savings bank account removes the self-discipline factor because you won't have to remember to add to your savings. You will be saving proactively rather than waiting until the future to see what you have left. You might want to save a couple of paycheques to buy a bike or new phone, or you might be saving for a bigger dream of a car or school tuition. Whatever you are saving for, it is good to set a goal and stick to it.
9. Instruct students to record a list of items or goals they would like to have and can plan to save for. Then have them narrow the list to their top three to five items/goals.
10. Allow students to research how much each item will cost using catalogues or the Internet. They should record the cost on the list then calculate the sales tax, if applicable, by researching the rates and what is and what isn't tax exempt by the provincial and federal governments.
11. Now that students know the full cost of the item, encourage them to commit to saving money for these items. If students choose to save for two items, one should be a short-term goal while the other should be a long-term goal.
12. Students should decide whether they will save their money at home or use a bank account to save for their goal. Ask students to suggest the pros and cons of each option and record a few for each on the board. Acknowledge that students may want to speak with their parents before making this decision.
13. To keep them on track, suggest students create a visual to remind themselves of why they are saving. This can be a visual representation of the item, such as a picture, a collage, a sculpture, etc. The visual should be placed near a piggy bank, in their wallet or in a prominent place.
14. Remind students that saving is an important part of being financially responsible. If they are dedicated and patient, they will achieve their financial goals.
15. **Recommended Assessment As Learning:** On an exit ticket, have students respond to one of the following questions:
 - a. Why is it important to save?
 - b. What is the best way for you to save?
 - c. What strategies can make saving easier? Why? (E.g., automatic transfers remove money from regular bank account, removing temptation to spend.)
 - d. What strategy will you use to ensure you are saving regularly for your goal? (Paying yourself first, etc.)
 - e. Do you think you will be able to successfully save for your goal? Why or why not?



Extension 1: Once students have narrowed down their goals to one or two, have students calculate the interest they would need to pay if they purchased the item immediately using a bank loan, a line of credit or a credit card. Students should set a payment system they can manage, as well as a competitive interest rate for each type of loan. Next, have students calculate the length of time it will take to save up for the item. Students should set a realistic amount for regular savings and calculate competitive interest rates from a few different savings accounts. Discuss the rewards of waiting versus instant gratification and what might happen in the time it takes to save? (E.g., fads change, interests evolve, they may change their mind about what the money should be spent on. Is it better to change your mind while saving rather than when you are in debt working to pay off something you no longer want?)



Extension 2: Have students track their progress toward their goal in a journal. Students should record what they did to get them closer to achieving their goal and what they plan on doing to continue their progress.



Extension 3: Incorporate social entrepreneurial principles. Ask students to consider the connection between delayed gratification, patience, goal setting and entrepreneurs/social entrepreneurs. What risks do social entrepreneurs take? What is the effect of long-term investment for social entrepreneurs? What might an entrepreneur/social entrepreneur experience before they realize the benefits of their work?

Lesson 5:

Finance Follower



Suggested Time:

60 minutes initially, plus daily follow-up time.

Learning Goals

Students will:

- Understand the mindset of “one-click” spending.
- Learn that virtual spending, just as spending with physical money, is still spending.

1. In class, ask students to consider their spending habits. Conduct a quick poll. Write the following payment methods on the bottom of the board. Provide students with sticky notes and ask them to place a sticky note in a line on top of each method they have used to create a bar graph:

- Cash
- Cheques
- Debit card with a chip
- Debit card with PayPass or Flash
- Online payment systems (PayPal, iTunes)
- Mobile payment application
- Reloadable store card (for coffee shops, book stores, movie theatre, etc.)
- Any other payment methods

Educator’s Note: If students are unfamiliar with credit cards as payment, acknowledge that it is a common payment tool but the actual payment is made later after goods are received this involves money that is borrowed with the promise to pay it back under specific agreed upon terms. Tell students that the focus for this lesson will be on payments that require funds first.

2. In small groups, have students discuss payment options using the following questions:

- What might cashless spending be? (Spending with modes other than cash, such as debit cards, reloadable store cards, mobile scans. The main difference is that traditional currency—banknote bills and coins—is not being exchanged. This type of cashless spending is different from spending on credit, which involves money that’s borrowed with the promise to pay it back under specific agreed upon terms.)
- Do you spend differently when you pay with cash versus a “cashless” method?
- What is “one-click,” “pass” or “flash” spending?

- Why might we spend more with “one-click” or contactless spending than when we are paying with cash?
- What are the benefits of cashless spending?
- What are the risks?
- Why is it important to pay attention to how you spend money?
- No matter how you spend money, what are some important tips to remember? (E.g., Saving, paying yourself first, keeping track of all spending.)

3. Tell students, every day we make many financial choices that affect how much money we have for saving, giving and spending. It is important to know how we spend so we can plan for the future and meet all of our expenses without going into debt.

4. **Recommended Assessment As Learning:** For the next week, have students track all their spending in a journal or on an Excel sheet. It is important that they record what they spent money on, the amount they spent and the method they used to spend the money (e.g., cash, debit card, online transaction, PayPass, mobile scan, prepaid store card). If there is time, have students track their spending for a longer period so they will have more data to accurately analyse their spending habits.

Educator’s Note: Reassure students that the content of the journals is private and will only be considered for completion. The purpose of this exercise is to encourage students to track their spending to increase awareness, not for the teacher to critique student spending. The information compiled by tracking spending will be used for the next lesson, Budgeting 101.



Extension: Ask students to anticipate the expenses entrepreneurs would need to track. Why is it important for entrepreneurs and social entrepreneurs to closely track their spending? What might they need to do with this information? (E.g., taxes, share with stakeholders.)

Lesson 6:

Budgeting 101



Suggested Time:

110 minutes.

Learning Goals

Students will:

- Learn how to organize their money and set manageable goals

Part 1

Educator's Note: The process of budgeting becomes increasingly important when students begin to earn money with their first real job. Before budgeting, help students understand what they need to be eligible to start working (e.g., a social insurance number) and what the difference is between net and gross income.

1. Working independently or in pairs, assign students one of the following terms: social insurance number (SIN), income tax, employment insurance (EI) or Canadian pension plan (CPP).
2. Instruct students to define their term using a dictionary or a reliable website. The definition must explain what it is, its purpose, who contributes, who benefits, what the benefits are and when they receive it, where it is applicable and why it is necessary.

3. **Recommended Assessment Of Learning:** Ask students to imagine that they are a government social media specialist. It is their job to develop public awareness through Twitter. Using the information, have students condense the information into a Twitter post. Students will promote the programs through strategic communications. In 140 characters, students must provide enough information and a hook to increase awareness among followers.



Extension: Once they are finished, have students hand in their tweets. Design a space on a wall with the blue Twitter bird. Have students write their posts in a speech bubble, read them to the class and then post the tweet on the wall. Or use Padlet for online sharing.

Part 2

1. **Recommended Assessment For Learning:** Poll the class. Instruct the class to give you a thumbs up, thumbs down or sideways thumb for the following questions and statements:
 - a. I know the purpose of a budget.
 - b. I feel confident that I know what personal budgets are comprised of.
 - c. How do you feel about budgets and budgeting? (Thumbs down = negative, thumbs up = positive/optimistic, sideways thumb = okay.)
 - d. I have a budget or have tried using a budget.
2. Ask students: Why is it importance to regularly be using a budget? (E.g., budgets help us identify our personal financial limits, providing a map to live within. While it is easy to focus on the restrictions, budgets give you control over your money. Since you know where your money is going, choices are more informed. Whether you are calculating your basic personal finances or a billion-dollar business, a well-thought-out budget is a crucial tool for financial success.) Tell students they will learn how to create a budget and use it properly.

Educator's Note: This activity is best applied using real numbers and living experiences, however, students can still gain an appreciation for proper budgeting by creating budgets for characters from novels or plays they are studying, if a hypothetical method is preferred.

3. Distribute **Blackline Master 4: Budgeting 101**. Introduce the following tips and calculations for using the blackline master to create a custom budget.

Educator's Note: Microsoft Excel worksheets or similar computer software will help organize and calculate budget information, or use an online application—many Canadian banks offer budgeting tools.

- a. **Calculate monthly income.** How much do you earn? Income can include money from a part-time job, an allowance and other sources. Is your income steady? When creating a budget, it is best to use steady income amounts that are dependable. Calculate your **gross** and **net** incomes. The purpose of this exercise is to help you learn how to manage your money by being realistic about your income and expenses, so do as best you can with your current financial situation. You will most likely receive income in one of the following three ways. Select the one that best suits your income. If you do not have a steady income from a job, an allowance or elsewhere, create a budget based on a realistic expectation of an income.
- Hourly wage:** Right now, you likely make an hourly wage. For example, you may work 15 hours a week at \$11.50 an hour, you will want to multiply 15 by 11.5; this will calculate your gross weekly wage ($15 \times 11.5 = 172.5$). Multiply this number by 4 to get your monthly gross income ($172.5 \times 4 = 690$). Next, based on the itemized list on your pay stub, calculate your net income, after income tax, CPP (QPP) and EI contributions by subtracting the amount of each item from the net income; most pay stubs will show these calculations. This is the amount you have available to spend.
 - Lump sum:** If you go to a post-secondary school you might receive lump sum loans that you will need to last the full year. In this case, you want to take the total of the lump sum, perhaps \$30,000, and divide it by 12 to find out how much you have to spend each month ($30,000 / 12 = 2,500$). As this money is likely a loan or a gift, you will not have to pay tax on it, so the gross and the net amount are the same.
 - Annual salary:** In the future, you will likely earn an annual salary. Let's say you make \$30,000 a year. Divide the income by 52 to get your weekly earnings then multiply it by 4 to get the monthly earnings ($30,000 / 52 \times 4 = 2,307.69$). Do this for gross and net. Look at your pay stub to find the different figures. Note: If you are paid bi-monthly (i.e., on the 15th and 30th of each month) you can divide the annual salary by 12. If you are paid bi-weekly (i.e., every other Friday) do not simply divide the annual salary by 12; with bi-weekly pay days, there are two months of the year with a third paycheque. Use these extra paycheques as a bonus rather than overestimating monthly income 10 months of the year.
- b. **Savings! Pay yourself first.** Even though you are young and may not make a lot of money, you should start saving early. Start small, but start now. Even small amounts will add up over time, and by forming the habit early, you will have the advantage of time on your side. Life's milestones—getting your first car, going away to school, getting your first "real" job—often come with some sort of financial cost—car payments, rent and tuition fees, new professional-style clothing, etc. These are expenses for which you want to plan and save for. So, whether you are saving for school or a rainy day, savings are a must. Ideally you should save 5 to 10 percent of your income. Once you begin saving, it will become easier. An effective way to loyally save if you have a bank account is to set up an automatic transfer. You should also have an emergency fund that equals three months of living expenses.
- To calculate the amount to save, take your net income and multiply by 5 to 10%. If \$1,538.46 is your net monthly income, the calculation would be $1,538.46 \times 0.1 = 153.846$, for 10% which means saving \$153.85 every month. You can round up or down to \$150 or \$155.
 - Your savings will be subtracted from your net income.
 - Once you have created a budget that works, add your fixed and variable expenses together and multiply the number by 3 to calculate how much you should have in your emergency fund. (Fixed expenses + variable expenses = monthly expenses, monthly expenses $\times 3$ = emergency fund.)
- c. **Subtract your fixed expenses.** First figure out your fixed expenses. You likely don't have too many fixed expenses, such as rent and utilities, if you are living at home. But you may have a monthly cellphone bill or car payment. Services that come with a contract are generally considered fixed expenses. Reviewing your bank account activity is an easy way to find these figures in one place. The worksheet provides a list of common fixed expenses. Be sure to add any others you may have.
- Use the worksheet to record your monthly fixed expenses.
 - These expenses will be subtracted from your net income.
- d. **Charitable giving.** Consider building a monthly charitable donation into your budget. Sharing what you have with others who are not as fortunate allows you to ride the wave of social change. Just like saving, if you form the habit early, you will learn to live without the money. Instead, you'll know you are a part of helping a cause greater than yourself. Research charitable organizations to find the ones that best suit your interests, and support needs and issues you believe in. Look for groups that focus on giving a hand up rather than a handout. Make sure the organization is a registered charity that issues tax receipts so you can claim a tax credit on your income tax return. Is your budget so tight that you're strapped to find any spare change to share? Consider sharing your time and talents with the organization of your choice. Giving comes in many forms and each way is as valuable as the next. As with saving, look for ways to cut back small regular purchases, like snacks, to find "extra" money. Rather than buying a \$2 muffin, doughnut or cookie every day at the local coffee shop, treat yourself once a week. In one month, you could free up \$32 ($2 \times 4 = 8$, $8 \times 4 = 32$).
- Use the worksheet to record your monthly charitable donations.

- e. **Debt repayment.** Hopefully you don't have any debt yet, but as you enter new stages of your life, you may find you need to borrow money (for example for post-secondary education). If or when you do, you need to include debt repayment in your monthly budget. If you are just making the minimum payment on a credit card, stop! Credit card statements show how long it will take to repay your debt if only the minimum payment is made each month. Even a small amount of debt can take years to pay off, and that is without any new debt being added. Compound interest is the reason the balance grows so quickly, so pay off as much as you possibly can each month, ideally the entire balance.
- For credit card debt repayment, you will need to subtract at least the minimum payment but ideally more. You will likely need to play with the numbers to find the workable amount, but remember, the longer you take to repay the debt, the more it will cost in interest, so make larger payments.
 - While credit card debt is not good debt, going into debt while in pursuit of post-secondary education is considered good debt. It is an investment in your future career and earning power. The long-term benefits of a college or university diploma/degree should outweigh the short-term financial pain of going into debt. In this case, try to keep the debt to a minimum by making wise choices and spending the money on school-related materials. Research the options available to you as a student; these may include special government student loans or a student line of credit.
 - Student loan debt repayment will depend on the specifics of your loan; however, most student loans will have a monthly repayment schedule you will agree to with the loan provider. In this case, simply add this amount to your expense column. When possible, make lump sum payments in addition to your monthly payments to reduce your loan and pay less in interest.
- f. **Subtract your variable expenses.** Your variable expenses, also referred to as discretionary expenses, include everything you spend money on that is not included in your fixed expenses. If your expenses are greater than your income, you are overspending. Items categorized as variable expenses should be the first to be reduced or eliminated altogether. The worksheet will help categorize your spending. Be careful not to forget anything, especially one-time items like gifts. Be conservative: underestimate income and overestimate expenses.
- Use the worksheet to record your monthly variable expenses.
 - These expenses will be subtracted from your net income.
- g. **Final countdown.** Once you have calculated your total income, fixed expenses, savings, debt repayment and variable expenses, you can check if your budget balances.
- Using the worksheet, record the final numbers. The results of your final calculations should equal zero or be a positive number; a negative number means you are spending more than you earn. If this is the case, you need to either earn more money or cut back on your expenses. If you are cutting, begin with your variable expenses, but remain realistic. If you cannot cut enough here you will have to cut back on your fixed expenses. (Total income – expenses = 0.)
- h. **Percentages to keep in mind.** Financial planners use a few guidelines or rules of thumb to help keep track of how you should spend your money. Of course, there is room to wiggle; for example, if you would rather live downtown, where rent is usually more expensive, but your school/work and amenities are closer, you can reallocate from your transportation budget to your housing budget. Or if you are not repaying debt, you may be able to save more for a rainy day. Using your net income to calculate, here are the suggested percentages as guidelines:
- Savings 10% (net income \times 0.1 = savings budget)
 - Housing 35% (net income \times 0.35 = housing budget)
 - Transportation 15% (net income \times 0.15 = transportation budget)
 - Life 25% (net income \times 0.25 = everything else budget)
 - Debt 15% (net income \times 0.15 = debt repayment budget)
4. Now that students have a workable budget, they have the knowledge and tools to be financially independent and empowered in their choices. Suggest that students keep their budgets handy for easy reference. Revise as life changes.



Extension: Have students create a budget as entrepreneurs/social entrepreneurs. What would the type of expenses be for a social enterprise? Will the budget always be positive? Is a negative result okay? Explain your response. What kind of calculations may need to be tracked but might be outside of the monthly budget? (E.g., loans from stakeholders that don't require monthly repayment, anticipated revenue, etc.)

Lesson 7:

Make 150 Count



Suggested Time:

60 minutes

Learning Goals

Students will:

- Apply budgeting and goal-setting skills.
- Demonstrate ways to maximize their dollars in a goal-setting activity that makes a difference with only \$150

Action Planning

1. Introduce students to their social entrepreneurial challenge, tell them: You will have an opportunity to celebrate and participate in making your community matter by creating a legacy plan to get involved and make a change in your community, locally or nationally. A legacy is something passed on through time that has significance. A legacy plan would include what you want future generations of your community to know, feel or experience and how you plan for that to happen. For this challenge you, your group or the class will have a theoretical budget of \$150 to fund your plan. Your plan must include a detailed and accurate financial plan or budget. What you do is up to you, so think big.
2. Each idea and plan should create a project to help make change or have impact in the community through honouring or looking forward to the future. Have students brainstorm ideas in groups on chart paper.
3. After students have finished contributing their ideas, form groups. Students may work independently or in groups of two to three. Once groups are ready, give students five minutes to circulate the room once again, this time to find the idea to research and for action planning. Encourage students to select different ideas, however, it is fine if there is overlap. Remind students that they have a hypothetical budget of \$150 to fund their plan. Students should be realistic, but also think of ways to increase their fund.
4. Once students have selected the idea they would like to create a plan for, they will need to set a goal. This goal will be the foundation for their plan. It may be any type of goal; for example, it may be a financial goal if they are fundraising for a cause or it might be a goal that requires financing such as honouring someone in their community with a plaque. Students should record the goal.

Educator's Note: The next section of the lesson discusses creating and setting goals. Students should feel confident in their goal setting from the previous lesson. If not, review the basic elements.

5. Remind students of the goal-setting process they have already completed. The next step is for students to research and plan how they will reach their goal. Is the goal long-term or short-term? If it is a long-term goal, what are the short-term goals that will need to be set and met before reaching the ultimate goal? Depending on the goal, this may include, but is not limited to, the following:
 - a. A mapped-out procession of the steps it will take to achieve the goal
 - b. A list of materials necessary to reach the goal
 - c. A budget of costs and donations or profits
 - d. A directory of people or business to contact for monetary or material donations
 - e. A detailed plan on how to spread the word through word of mouth, flyers, or social media
 - f. A sketch of the goal

For example, if students are painting a mural on the wall of the school, they will need to measure the space, create a design, form a list of materials that will be necessary, estimate the quantity of paint, perhaps based on a test spot, research the costs of paint and supplies, create a budget for the costs, identify and reach out to possible supply or funds donors.

6. **Recommended Assessment As Learning:** Distribute **Blackline Masters 5 and 6**. Instruct students to use them as a guide for their research. The worksheets encourage students to work through the stages of financial planning and creating a budget.
7. Students may use their worksheets as the final product or they can use it as a draft for their final product. If drafting, their final report should include the following:
 - a. Why did you create this goal?
 - b. What is the goal?
 - c. What would you use the \$150 for?
 - d. What is your project budget?
 - e. How will you achieve this goal? (Provide an explanation with a detailed budget.)
 - f. How would you implement your plan if you were given \$150 to make it happen?
8. **Recommended Assessment Of Learning:** Have students present then submit their final reports to the class. After the presentations discuss with the class the significance of their work. Highlight the unique qualities and shared values that are presented.



Extension: Encourage students to take their plans to community businesses and organizations to receive funding so that they can put their plans into action.

Lesson 8:

Understanding Financial Empowerment



Suggested Time:

60 minutes

Learning Goals

Students will:

- Understand what it means to feel empowered to make financial decisions.
- Explore the factors that affect financial empowerment locally, nationally and globally

Educator's Note: Background information on Ecuador communities and WE Villages Girls' Clubs

While it was not always so, women in Ecuador have become increasingly marginalized and discriminated against. Indigenous women in particular have lower education rates, the lowest literacy rates and the lowest wages. Consequently, they suffer in many areas of their life, such as health, as health care is difficult for these women to access.

WE Villages Girls' Clubs were created to challenge the growing machoism culture and revive the tradition of women as leaders and ancestral-knowledge providers.

During the weekly meetings, girls participate in educational training sessions that include hands-on activities addressing environmental, economic, social and cultural issues. The goal is to empower these young women to be leaders in their communities.

1. **Recommended Assessment For Learning:** Begin the class with an entry ticket. Write the following on the board: An economy is everything related to the production and consumption of goods and services in an area. Select three things from the following list that you need to feel financially empowered in today's economy. Explain your selection.

- | | |
|----------------------------|-----------------------------|
| • Education | • House |
| • Job | • Savings |
| • Bank account | • Retirement fund |
| • Credit card | • Financial literacy skills |
| • Car | • Other |
| • Trade skills | • Stocks |
| • Confidence to take risks | • Bonds |
| • Emergency savings | • Mutual funds |
| • Creativity | • Tax-free savings account |
| • Thriftiness | • Loans |

2. Collect the papers after a few minutes. Read and discuss a few examples aloud with the class. Discuss the following:
- a. What are examples of different economies? Local, national, global, market, command, capitalist, etc.
 - b. When do you become part of an economy? When you become a producer or consumer of goods and services (i.e., when you are born).
 - c. What affects the economy? Supply and demand, wages, inflation, consumers, policy, etc.
 - d. What does the economy affect? Jobs, conflict, policy, cost-of-living, etc.
 - e. What role do entrepreneurs have within a country's economy?
 - f. Who makes the decisions that drive the economy? Politicians, businesses, entrepreneurs, families, individuals, etc.

3. An important part of being a responsible member of an economy includes managing finances and feeling empowered to make good choices. Help students understand what empowerment means by sharing the stories of girls and women from Ecuador and Kenya WE Villages partner communities, and North America.

Ana Lucia Sistema Daquilema is 17 years old. She is involved in the WE Villages Girls' Club. Ecuadorian girls meet for workshops on human rights, self-esteem building and leadership. They share opinions and ideas and build stronger bonds with each other while working together on income-generating projects. Through her involvement with the Girls' Club, Ana has become empowered, as the money she earns allows her to pay for her school expenses and new clothes, alleviating some of her family's expenses. Ana has not only become more active, but she has also grown more confident and is now able to speak in public—something she was not comfortable doing before. With her newfound income, financial knowledge and confidence, Ana hopes to become a teacher when she finishes school. Her greatest wish is to have a regular job teaching, to get married and have two children, and to continue living in her community. Before joining the Girls' Club, this dream would have seemed impossible to achieve.

Maria Simona Aucanshala Tenemasa is 16 years old. She has participated in the WE Villages Girls' Club for the past couple of years, along with two of her cousins. Maria feels that being part of the group has made her friendlier toward her peers and helped her improve her public speaking skills. Now she participates more in school and feels more self-assured. Capitalizing on her newly acquired financial literacy, knowledge and confidence, Maria hopes to help change her community's perspective toward pollution by providing community members with training on the issue. And by meeting with civic leaders, she aims to introduce a garbage collection system. Her greatest wish is to have a good job as a teacher when she grows up.

4. Show students a couple of video examples:
 - a. This video features Mama Leah, who has found empowerment through employment with ME to WE Artisans. **"Meet Mama Leah,"** www.youtube.com/watch?v=t-boEI7LjJJ0&index=4&list=PL9seAzJtXcktWdC5sci-6bl498fZWrMZgP (1:12).
 - b. Maya Penn, a young woman who started a social enterprise creating textiles accessories, who learns about the empowerment of female artisans in Kenya. **"Power of a Rafiki–Maya Penn,"** www.youtube.com/watch?v=fQym-WkqGN0E&index=5&list=PL9seAzJtXcktWdC5sci-6bl498fZWrMZgP (2:49).
9. Instruct students to record a plan that explains how they will earn, save and, if necessary, reduce their spending to achieve their goal or dream.

10. Recommended Assessment As Learning: On an exit ticket, ask students to explain the implications or effects of earning, saving and spending on the local, national and global communities.

5. **Recommended Assessment As Learning:** Now that students have heard some stories of girls and women for whom knowledge led to financial and economic empowerment, ask students the following and track responses with the observation forms in **Appendix 2:**
 - a. What does it mean to feel empowered?
 - b. What does it mean to be financially empowered?
 - c. How do you know these girls and women feel empowered?
 - d. What entrepreneurial skills have these girls and women developed?
 - e. How are these girls and women a part of the economy?
 - f. What is your role in the economy? (Tell students that while they may feel lost in the large world of money and policy run by other people, there is a role and purpose for each of them. Just as they can make a difference in their local, national and global communities through purposeful actions, they can find their place in the financial world.)
 - g. What does empowerment mean to you?

6. Tell students that, just like the women and girls featured, feeling financially empowered will help them achieve their financial goals. Ask students to think of a financial goal they would like to achieve. Goals may include a car, a weekend trip with friends, sports equipment, university or college.
7. Once students have thought of a dream or goal they would like to work toward, have them create a visual representation of their dream that they can share with their peers. The visual can be a collage, painting, sketch, sculpture or installation.
8. This visual representation will act as a reminder to keep them on track to reach their goal. Have students brainstorm ways that they can achieve their goals and dreams. Ask for a few suggestions of goals or dreams. Write these on the board, then ask students what it will take to achieve their goal or dream, e.g., earning money by babysitting or completing household chores like mowing the lawn or getting a part-time job, saving by setting birthday money aside or spending less so that there is more to save. Remind students that it's not about how fast they can save the money, money isn't usually vastly available, it's about creating a goal to work toward.

Lesson 9:

Charity Fair



Suggested Time:

90 minutes

Learning Goals

Students will:

- Learn how to run a successful fundraiser, taking into consideration everything they have learned about personal finance, as it applies to an entrepreneurial project.
- Research the financial goals of a charity or non-profit they would like to support and present their findings to the class.

Educator's Note: To shorten this activity, remove the group investigation. Select a fundraiser and have students consider the costs it takes to run it. Choose a charity or cause to support.

Part 1

1. Begin the class with a quick brainstorming activity. In groups of three to four, have students record a list of all the fundraisers they can think of in 15 seconds. After the time is up, ask for some examples to write on the board. Examples may include, but are not limited to: bake sale, car wash, coin drive. Ask students how fundraisers can be thought of as a social enterprise. Frame this project as running a social enterprise rather than fundraiser.
2. Continuing in their groups, divide the fundraising ideas amongst groups. Ask students how many of them are familiar with the television show *Dragon's Den*. Ask a student to explain the premise if there are students who are not familiar with the show. Tell students, in their groups they will take on the role of up-and-coming entrepreneurs who need investors to begin building their social enterprise. Using their assigned fundraiser/social enterprise initiative as the method to earn money, students will create a business proposal and a two- to three-minute pitch to interested investors (the other groups).
3. Students will research the costs of running the fundraiser and estimate potential profits. In preparing their proposal, students should complete in-depth research. Allow students time to use the library and Internet; assign for homework, if necessary. To determine the costs of running their project, students will need to calculate the following—examples provided are for a bake sale:

Obvious costs—supplies such as ingredients, plates, napkins, signs, etc. (It may be useful to find recipes and use store flyers to determine costs.)

Hidden costs—help from family. If your mom bakes cupcakes, include all her time (such as the run to the grocery store for eggs) and the price of the ingredients.

Environmental costs—waste, energy, materials such as Styrofoam plates.

Health costs—this may not be applicable for every fundraiser, but having healthy alternatives to traditional cookies for the bake sale or less toxic cleaners for a car wash may be better options.

Time—including organizing, advertising, baking, set-up, distribution, etc.

External considerations—did the school band recently run a bake sale? Did it go well? Will the student body appreciate another so soon? Is the school trying to promote healthy living that does not include bake sales? Some of these questions may not be easily answered. Have students list questions and considerations and find people to interview for answers, such as the principal.

Prices—students should prepare prices for their goods. They should calculate per unit, but also estimated sales. It is important to stay realistic—will students buy \$1 cupcakes? Will you be able to sell 150 over one lunch period?

4. Ask students to consider if any of the costs can be decreased or eliminated without compromising the product or service you are offering. For example, can you use sustainably sourced and recyclable plates? Can you have ingredients donated by the grocery store? Some costs may be reduced but then create new ones—if a grocery store is donating goods, the cost is reduced for you, but remember it still costs the grocer, so thank them for their contribution with a card from the class.
5. For their presentation pitch to investors, encourage students to use visuals like grocery store flyer clippings, pie charts, line graphs and more to support their estimations and promote their social enterprise venture.
6. Allow students time to make their presentations. At the end of the presentations compile a brief pro and con list with the investors for each of the social enterprise ventures. Hold a class vote: which of the initiatives would they like to hold?

Part 2

1. For the second part of the lesson, ask students to brainstorm a list of charities or non-profits (local, national or international) they would like to learn more about and possibly support. Working in the same groups as Part 1, divide the charities and non-profits amongst the groups. Following the partnership model of ME to WE, a social enterprise that donates half of its profits to WE Charity while the other half is reinvested to grow the mission of the social enterprise, the entrepreneurial groups will research their assigned charity or non-profit in hopes of partnering with and supporting the charity or non-profit. Students will prepare a presentation to share the information they gathered for a gallery tour.

2. The presentation should include, but is not limited to, the following:
 - a. Information about the charity or non-profit
 - b. Their mission.
 - c. Where they work.
 - d. Financial goals to support—there may be one or more financial goals someone donating can support. Be as specific as possible in identifying the top goal(s).
 - e. Why they do what they do.
 - f. Any further information that might be important—past work, a special call to action, etc.
 - g. Engaging visuals that will help “sell” your cause and charity to the rest of the class.
3. Allow students class time to conduct research and prepare their presentation boards. Designate a date for the gallery tour.

4. **Recommended Assessment Of Learning:** Hold a gallery tour. Move desks to the outer edges of the classroom. Have students set up their presentations around the room. Encourage students to take pride in their work and share their new knowledge with their peers. Instruct groups to take turns touring the classroom so each booth has presenters ready to explain their charity to visitors.



Extension: Open the tour up to other classes and guests in the school.

5. Once the gallery tour is complete, hold another vote to decide which charity the class would like to support.

Take Action

6. Combine the two parts of the lesson and give students practical experience. Run the selected fundraiser and support the chosen charity.

Lesson 10:

WE Create Change



Suggested Time:

30 minutes

Learning Goals

Students will:

- Take action while putting their finance skills to use by taking part in the WE Schools WE Create Change campaign.

Educator's Note: Integrate the campaign in other subjects:

- The Arts—design campaign posters
- Language—write compelling school announcements
- Math—make calculations with coins. Besides cost calculations, find out the weight, volume and size of coins
- Social Sciences and the Humanities—discuss the importance of economic empowerment in Canada and around the world
- Canadian and World Studies—examine the regions where WE Villages works and how economic empowerment differs around the world
- Business Studies—apply effective business practices for optimizing profits
- Computer Studies—cut a multimedia production to promote student involvement

Educator's Note: Encourage students to use the skills of a social entrepreneur. Challenge students to apply business techniques and principles to the WE Create Change fundraiser. Secure funders, create a product or service, sell and invest in the pillar of their choice. While there is likely more risk, there is also a greater chance at a better pay-off

1. Begin by telling students: Small changes make a difference and small coins can add up to make big change. WE Create Change is a national coin drive that supports sustainable development through WE Villages.
2. Show "WE Villages: Our Sustainable Development Model," www.youtube.com/watch?v=m3alqSJGTNU&index=5&list=PL9seAzJtXcksya8j3CNEgpwI7YRHvyls (2:15), to help students understand what the campaign supports with WE Villages.

3. Pick a WE Villages Pillar of Impact to collect coins with your school or community for. Then learn about the impacts your collected coins will have around the world. Check out www.trackyourimpact.com to learn more about the impacts that fundraising dollars have on WE Villages communities. Ask students:

- a. What are the goals of this campaign?
- b. Why is this campaign important?
- c. How can we get involved and participate in this campaign?

4. Sign up for the campaign by filling out our registration form at www.WE.org/wecreatechange.
5. Encourage students to set an individual goal, class goal or school goal. Create advertising to promote the campaign and the goal with the rest of the school and surrounding community.

6. **Recommended Assessment Of Learning:** Reflection: Five Minutes to Discovery. Give students one minute to answer each of the following questions:

- What did I already know about economic empowerment?
- What did I learn?
- What are the most important pieces of what I knew already and what I learned?
- What do I want to learn more about now?
- Where can I find more information?

Ask students to hand in their answers. Review them to ensure students gained a better understanding of personal finance and financial literacy. Provide feedback on ways students can continue their learning now that the lessons are complete.

WE Create Change

WE Create Change is a national coin drive that proves little things do add up. Pick a WE Villages Pillar of Impact to fundraise for and collect coins with your school or community. For example: \$50 buys a goat which equals opportunity. WE Schools' WE Create Change campaign is made possible by RBC.

Appendix 1: Provincial Curriculum Connections

Curriculum connections made possible by Nelson

Alberta

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|---|---|
| <p>Career and Life Management (2015)</p> <p>Grades 10 to 12 Career and Life Management</p> | <p>The <i>It All Adds Up</i> lesson package helps address the goal of the Career and Life Management curriculum to help students make responsible decisions in the use of finances and other resources that reflect personal values and goals and demonstrate commitment to self and others.</p> <p>The <i>It All Adds Up</i> lesson package addresses a goal of the Career and Life Management curriculum by having students learn how to use resources wisely.</p> |
| <p>Mathematics (2017)</p> <p>Grade 11 Mathematics 20-4</p> | <p>The <i>It All Adds Up</i> lesson package provides opportunities for students in the Mathematics program to become active and responsible citizens, achieve their educational and career goals, improve the quality of life for themselves and their families and positively impact their communities.</p> <p>The <i>It All Adds Up</i> lesson package addresses the Knowledge and Employability Mathematics curriculum to provide students with practical and applied opportunities to develop competencies necessary to become responsible and contributing members of society.</p> |

Atlantic Canada

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|--|---|
| <p>Business Studies</p> <p>Nova Scotia Grade 12 Business Management 12</p> <p>Newfoundland Grade 10 Business Enterprise 1100</p> <p>Grade 11 Consumer Studies 1202</p> | <p>The <i>It All Adds Up</i> lesson package addresses the Atlantic Canada Business Studies curriculum, to reflect change in economic and business environments and to develop students' analytical, problem solving, and communication skills through and understanding of how companies operate and are managed from both employer and employee perspectives.</p> <p>The <i>It All Adds Up</i> lesson package addresses the Atlantic Canada Business Studies curriculum, specifically a relationship to the community and workplace with a focus on using real community and workplace problems and situations as practical contexts for the application of knowledge and skills and for further learning.</p> |
| <p>Mathematics</p> <p>Prince Edward Island Grade 10 Mathematics MAT421K</p> <p>Nova Scotia Grade 11 Mathematics at Work 11</p> <p>Newfoundland Grade 12 Mathematics 3202</p> <p>New Brunswick Grade 11 Foundations of Mathematics 110</p> | <p>The <i>It All Adds Up</i> lesson package addresses the Atlantic Canada Mathematics Curriculum, which fosters the development of mathematically literate students who can extend and apply their learning and who are effective participants in society.</p> <p>The <i>It All Adds Up</i> lesson package addresses the goal for Mathematics, specifically to have students become mathematically literate adults, using mathematics to contribute to society.</p> |

Appendix 1: Provincial Curriculum Connections

Curriculum connections made possible by Nelson

| British Columbia | |
|---|---|
| <p>Career Education (2017)</p> <p>Grade 10-12 Career Life Education</p> | <p>The <i>It All Adds Up</i> lesson package helps to prepare students to participate in society as responsible citizens.</p> <p>The <i>It All Adds Up</i> lesson package addresses the British Columbia curriculum goal for Career Education, specifically through personal financial planning.</p> |
| <p>Math (2017)</p> <p>Grade 10 Workplace Mathematics 10</p> <p>Grade 11 Workplace Mathematics 11</p> | <p>The <i>It All Adds Up</i> lesson package develops skills and processes citizens can use to critically analyze information encountered at work, in finances, and in daily life.</p> <p>The <i>It All Adds Up</i> lesson package addresses the British Columbia curriculum goal for Mathematics to become financially literate and able to make sound financial decisions.</p> |

| Manitoba | |
|--|---|
| <p>Social Studies (2010)</p> <p>Grade 12, Global Issues: Citizenship and Sustainability, (40S)</p> | <p>The <i>It All Adds Up</i> lesson package addresses the vision of the Manitoba Social Studies curriculum to encourage students to participate actively as citizens and members of communities and to make informed and ethical choices when faced with the challenges of living in a pluralistic democratic society.</p> <p>The <i>It All Adds Up</i> lesson package addresses specific goals of the Manitoba Social Studies curriculum, including:</p> <ul style="list-style-type: none"> - Develop a commitment to social justice and quality of life for all the world's peoples. - Respect the world's peoples and cultures through a commitment to human rights, equity, and the dignity of all persons. |
| <p>Mathematics</p> <p>Grade 10-12 Essential Mathematics (20S) Essential Mathematics (30S) Essential Mathematics (40S)</p> | <p>The <i>It All Adds Up</i> lesson package addresses the expectation of the Manitoba Mathematics curriculum that students will be familiar with the mathematical concepts and skills encountered in everyday life in a technological society.</p> <p>The <i>It All Adds Up</i> lesson package addresses specific goal of the Manitoba Mathematics curriculum emphasizing consumer applications, problem solving, decision making, and spatial sense.</p> |

Appendix 1: Provincial Curriculum Connections

Curriculum connections made possible by Nelson

Ontario

| | |
|--|--|
| <p>Business Studies (2006)</p> <p>Grade 11 Entrepreneurship: The Enterprising Person, Open (BDP30) Accounting Essentials, Workplace Preparation (BAI3E)</p> | <p>The <i>It All Adds Up</i> lesson package can help meet the goal of the Business Studies curriculum by providing students with the knowledge, skills, and attitudes necessary to achieve success in secondary school, the workplace, postsecondary education or training, and daily life.</p> <p>The <i>It All Adds Up</i> lesson package also helps students develop the skills, including critical thinking skills, and strategies required to conduct research and inquiry and communicate findings accurately, ethically, and effectively.</p> |
| <p>Social Sciences and Humanities (2013)</p> <p>Grade 11 Managing Personal Resources (HIP3E) Grade 12 Personal Life Management (HIP40)</p> | <p>The <i>It All Adds Up</i> lesson package helps students to develop their awareness of and make decisions with respect to critical issues in our increasingly complex, multifaceted, and diverse society.</p> <p>The <i>It All Adds Up</i> lesson packages also helps students analyze problems and determine appropriate actions that they can take as individuals, or that can be taken by families, diverse groups, and even societies in response to complex local or global challenges.</p> |
| <p>Mathematics (2007)</p> <p>Grade 11 Mathematics for Work and Everyday Life (MEL3E) Grade 12 Mathematics for Work and Everyday Life (MEL4E)</p> | <p>The <i>It All Adds Up</i> lesson package can help meet the purposes of the Ontario Mathematics curriculum to prepare students for their future roles in society, equip them with an understanding of important mathematical ideas; essential mathematical knowledge and skills; along with skills of reasoning, problem solving, and communication. Specifically, the <i>It All Adds Up</i> lesson package provides lessons in: earning and purchasing; saving; and transportation and travel.</p> |

Saskatchewan

| | |
|---|--|
| <p>Mathematics (2010)</p> <p>Grade 11 Mathematics 21</p> | <p>The <i>It All Adds Up</i> lesson package addresses the aim of the Saskatchewan Mathematics curriculum, by providing students an understanding of mathematics as it is applied in important areas of day-to-day living.</p> <p>The <i>It All Adds Up</i> lesson package addresses the goal of the Saskatchewan Mathematics curriculum, to have students learn and develop communication skills and basic mathematic skills necessary for specific job training and skills.</p> |
| <p>Social Sciences (2010)</p> <p>Grade 11 Economics 20</p> | <p>The <i>It All Adds Up</i> lesson package addresses the aim of the Saskatchewan Social Sciences curriculum, for students who have a sense of themselves as active participants and citizens in an inclusive, culturally diverse, interdependent world.</p> <p>The <i>It All Adds Up</i> lesson package addresses the goal of the Saskatchewan Social Sciences curriculum, to examine various world views about the use and distribution of resources and wealth in relation to the needs of individuals, communities, nations, and the natural environment, and contribute to sustainable development.</p> |

Appendix 2: Glossary

Use this glossary of terms as a reference.

Earn

- ▶ **Capital**—the value of everything owned including money, property and investments after the value of debts are subtracted.
- ▶ **Direct deposit**—the electronic transfer of money from one bank account to another.
- ▶ **Equity**—assets minus liability; net worth. Also, the value of property beyond the amount owed on it.
- ▶ **Gross income**—salary or wages before deductions.
- ▶ **Income**—money received in a given period as wages, interest, etc.
- ▶ **Income tax**—tax paid on personal income such as wages or investments; regulated and collected by governments.
- ▶ **Net income**—the amount of money an individual takes home after deductions like taxes, CPP and EI.
- ▶ **Profit**—financial gain, the sum remaining after the deduction of expenses. See also Net income.
- ▶ **Revenue**—income made from sales or earned on investment or, as with government revenue, from taxes. Revenue is gross before expenses, in contrast to net income.

Save

- ▶ **Balance**—the amount of money held in a bank or investment account at a given moment.
- ▶ **Bank**—a financial institution that takes deposits and lends money.
- ▶ **Bonds**—a loan made to a government or business, maturing on a specified date for the face amount price plus interest. A form of investment for those who purchase them.
- ▶ **Canada Education Savings Grant**—an incentive program run by the Canadian government designed to encourage people to save for a child's post-secondary education by offering grants to ease the financial burden. See also Registered Education Savings Plan (RESP).
- ▶ **Canada Savings Bond**—a bond issued by the Canadian federal government. Canada savings bonds offer secure investment with competitive interest rates. See also Bonds.
- ▶ **Compound interest**—interest earned on the principal amount plus the interest that has already accumulated. In other words, interest earned on top of interest.
- ▶ **Emergency fund**—money set aside for unexpected expenses.
- ▶ **Interest**—the cost of borrowed money. The price that lenders charge borrowers for the use of the lender's money. For example, you pay interest when you borrow money and you earn interest when you save money in a savings account. There is simple interest and compound interest.
- ▶ **Interest rate**—the interest payable on a debt expressed as a percentage of the debt over a period of time (usually a year). (E.g. the amount a financial institution charges for the money it lends or pays for the money on deposit.)

- ▶ **Investment**—the use of capital to create more money, either by producing income (interest, dividends, rent) or by increasing in value (capital gain).
- ▶ **Pension**—income an employee receives after they have retired or become disabled.
- ▶ **Portfolio**—all the investments an investor owns.
- ▶ **Principal**—the amount of money or capital you begin with, for example, the face amount of a bond.
- ▶ **Registered Education Savings Plan (RESP)**—a savings plan sponsored by the Canadian government that encourages investing in a child's post-secondary education. Subscribers to an RESP make contributions that build up tax-free earnings. Under the Canada Education Savings Grant, the government contributes up to 20% to a maximum of \$500 to plans for children younger than 18.
- ▶ **Registered Retirement Savings Plan (RRSP)**—a legal trust registered with the Canada Revenue Agency and used to save for retirement. RRSP contributions are tax deductible and taxes on earnings are deferred until the money is withdrawn. An RRSP can hold stocks, bonds, mutual funds and more.
- ▶ **Retirement savings**—money that is put aside and invested to be used specifically to live on in retirement.
- ▶ **Savings**—money put aside to be used at a future time. Also a form of deferred spending.
- ▶ **Simple interest**—interest calculated on principal alone.
- ▶ **Stocks**—an investment representing partial ownership (a "share") in a company.
- ▶ **Tax-Free Savings Account (TFSA)**—a savings account where amounts earned are not taxed and withdrawals can be made tax-free. Tax-free savings accounts were introduced in Canada in 2009 with a limit of \$5,000 per year (now \$5,500 per year). You can carry forward the unused amounts. This savings account is available to individuals ages 18 and older and can be used for any purpose.

Give

- ▶ **Charitable donations**—a gift or contribution to a non-profit organization, charity or private foundation. Donations are tax deductible if the charitable organization is registered with the Canada Revenue Agency.
- ▶ **Corporate social responsibility**—business and corporations that use their resources, including people, products and money to give back to and better their community locally and globally.
- ▶ **Fund drainer**—fundraisers that end up costing more than they raise. The risk of a fund drainer may be reduced by careful planning and budgeting.

Appendix 2: Glossary

- ▶ **Fundraising**—collecting money for a cause, organization, non-profit, etc. usually in exchange for a good or service (e.g. cookie, lemonade, car wash, etc.)
- ▶ **Not-for-profit/non-profit**—an organization that raises money to pursue its objectives. Not-for-profits/non-profits rely heavily on charitable donations to operate. Registered charities are often exempt from paying government taxes.
- ▶ **Social enterprise**—while businesses often support social change through their policies of corporate social responsibility, the company's first goal remains to make a profit. A social enterprise, on the other hand, takes social change as its primary objective, and uses its profits to reach it.
- ▶ **Socially responsible investments (SRIs)**—investments based on the ethics of a company rather than just their rate of return. Companies are highly transparent and include businesses like housing trusts and green technology.

Spend

- ▶ **Borrowing**—obtaining money which must be repaid over a specified time and with specified interest.
 - ▶ **Chequing account**—a type of bank account. The money in a chequing account can be accessed or spent with a cheque, a certificate that promises money to the receiver or the specified party on the "pay to the order of" line.
 - ▶ **Consumer**—a person who buys goods or services to meet needs and wants.
 - ▶ **Co-sign**—when another person signs a borrowing agreement and promises to pay the debt if the borrower cannot do so. Signers are jointly responsible.
 - ▶ **Credit card**—a card issued by a bank or store that allows you to buy now and pay later. The card's terms include a minimum payment and interest rate.
 - ▶ **Credit history**—your ability to pay bills on time and repay money that is owed; detailed as a credit rating and credit score.
 - ▶ **Debit card**—an electronic card issued by a bank connected to a personal banking account. The card allows access to money in an account by electronically making purchases of goods and services or removing cash at an Automated Teller Machine (ATM)
 - ▶ **Debt**—an amount of money owed to another.
 - ▶ **Discount**—a reduction from a usual or list price.
 - ▶ **Expenses**—outflows of money, for example, the financial costs of living include shelter, food, clothing, etc.
 - ▶ **Fees**—charges for services. (I.e. bank fees are an expense for access to the bank's services.)
 - ▶ **Liability**—any debts or amounts owing, for example, a mortgage, credit card balance, car loan, etc.
 - ▶ **Loan**—money given to a borrower on the promise of repayment, often with interest. See also liability, debt.
 - ▶ **Minimum payment**—the least amount that a consumer can pay towards a credit card bill to remain in good standing with the credit card company.
- The amount of the minimum monthly payment is a combination of interest and principal and is a small percentage of the consumer's total outstanding balance. If the buyer only makes the minimum payment, the goods will cost more due to accumulated interest.
- ▶ **Mortgage**—a loan secured to buy real estate. A down payment on the loan locks the agreement between a financial institution and the individual(s). Ownership of the property deed (certificate of ownership) is shared between the individual(s) and the financial institution until the mortgage is paid off with regular payments. Payments, interest rates and the time frame of the loan are agreed upon by the individual(s) and the financial institution.
 - ▶ **Sales tax**—calculated as a percentage of the cost of an item or service, set by the government and collected on behalf of the government.
 - ▶ **Surcharge**—an additional charge.
 - ▶ **Taxes**—a compulsory payment of a percentage of income, property value, or purchases etc. for the support of the government.

General Financial Terms

- ▶ **Annual percentage rate (APR)**—an agreed upon cost of borrowing money over one year, including interest charges and other loan service costs such as transaction fees and late penalties.
- ▶ **Appreciation**—a rise in value or price over time.
- ▶ **Asset**—anything owned that has value, for example, a house or shares in a company.
- ▶ **Bank book or pass book**—a small book in which a financial institution records the amounts of money deposited and withdrawn from the account.
- ▶ **Bank machine**—an electronic machine that allows users to perform banking transactions such as cash withdrawals, deposits, bill payments and more by inserting a unique, encoded debit card. Also called automatic bank machine (ABM) or automated teller machine (ATM).
- ▶ **Banknote**—a piece of "paper" money issued by a central bank, legal tender.
- ▶ **Bank of Canada**—the Canadian central bank, which sets Canada's monetary policy and is responsible for printing our paper and polymer notes.
- ▶ **Budget**—a financial plan adjusting expenses to income.
- ▶ **Depreciation**—a decline in value of an asset over time.
- ▶ **Economy**—everything related to the production and consumption of good and services in an area.
- ▶ **Finance**—managing money resources.
- ▶ **Financial empowerment**—having access to the tools and knowledge you need to create your own path and achieve the goals that matter most to you.
- ▶ **Financial literacy**—having the knowledge, skills and confidence to make responsible financial decisions throughout your life.

Appendix 2: Glossary

- ▶ **Fiscal**—financial. The fiscal year would be a company's financial or accounting year for which its net income is calculated.
- ▶ **Global marketplace**—the demand for goods or services throughout the world. If the Canadian market is good, there is a high demand for goods and services. (E.g., there is demand for Canada's natural resources such as nickel.)
- ▶ **Goods**—any tangible item or product that you can purchase, possess and use.
- ▶ **Identity theft**—obtaining another's personal information such as their social insurance number, credit card numbers, bank account information, etc. in order to defraud the victim of money.
- ▶ **Inflation**—an increase over time in the price of goods and services.
- ▶ **Joint bank account**—an account that is shared by two or more individuals who have equal access and responsibility for the account.
- ▶ **Needs**—goods or services that are essential for life, such as shelter, clothing and food.
- ▶ **Net worth**—everything owned (assets) minus everything owed (liabilities). Net worth can be applied to personal finance and business finance. The higher the net worth the better.
- ▶ **Phishing**—a common online scam designed to trick you into disclosing your personal or financial information, which is used for financial fraud or identity theft. A phishing scam usually comes through an unsolicited email that appears to be from a legitimate company.
- ▶ **PIN, Personal Identification Number**—a secret numeric password used along with a debit or credit card that allows access to an account.
- ▶ **Royal Canadian Mint**—where Canadian coins are made under governmental control.
- ▶ **Service charges**—fees for use of services. For example, a service charge may occur every time you use a bank machine.
- ▶ **Services**—useful acts performed in exchange for pay.
- ▶ **Skimming**—a credit card and debit card scam in which the processing device at the point of purchase is compromised. When the card is inserted or swiped, it is read by a magnetic strip that copies the card's information, allowing the scammer to access accounts connected to the cards.
- ▶ **Smishing**—a mobile phone text that often refers to winning a prize. The text will asks for a response or provide a "click here" link that enables downloading of malware onto the phone. The phone may then be controlled by someone else. The name comes from SMS Phishing.
- ▶ **Statement**—a record of transactions for a bank account, credit card or investment account.
- ▶ **Supply and demand**—driving forces in a free market, demand refers to the measurable amount a good or service is wanted, while supply refers to the measurable availability of the good or service. The relationship between the two determines price.
- ▶ **Wants**—a desire for goods or services that are not essential for basic life (e.g., entertainment, travel, luxury goods.)

Sources

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Appendix 3: Classroom Observation Forms

Classroom Observation Form 1

Lesson/Activity: _____

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Appendix 3: Classroom Observation Forms

Classroom Observation Form 2

Lesson/Activity: _____

| Learning Outcomes Student Names | | | |
|------------------------------------|--|--|--|
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Appendix 3: Classroom Observation Forms

Classroom Observation Form 3

Lesson/Activity:

| Observations | Questions/Concerns | Next Steps |
|--------------|--------------------|------------|
| | | |

Blackline Master 1:

ME to WE Case Study

ME to WE is a social enterprise—a new type of business that exists to make a direct, positive social and/or environmental impact on the world. ME to WE differs from for-profit businesses that merely promote social responsibility. While for-profit businesses often support social change through their policies of corporate social responsibility, the company's first goal is to make a profit. ME to WE as a social enterprise, on the other hand, makes social change its primary objective, and uses its profits to reach it.

ME to WE provides products that make an impact, empowering people to change the world with their everyday consumer choices. ME to WE Trips give young people and adults the opportunity to participate in development projects overseas. Leadership programs help young people explore issues and take action to create change, and inspirational speakers connect with audiences through a message of action and hope. Through ME to WE Artisans, women in developing countries create beadwork and accessories that allow them to earn a fair wage. Other socially conscious product offerings include greeting cards and inspirational books.

Every ME to WE product sold makes a direct, measurable impact in a developing community, where their charity partner WE Charity works, empowering these communities to build a better future. ME to WE is structured to offset expenses and help provide in-kind services to WE Charity, contributions valued at well over a million dollars annually. ME to WE has been recognized with awards from prestigious organizations for its model of social entrepreneurship, from the Skoll Foundation to the MaRS Discovery District. One of its most notable honours is the national Ernst & Young Social Entrepreneur of the Year Award, which recognizes how ME to WE has used business practices to redefine a triple bottom line—people, planet, profit.

Blackline Master 2: Goal Setting

Begin the process of goal setting by creating a list of three to five items for each of the following:

- Ways to earn money

- Items to save for

- Organizations or campaigns to support

- Items to spend money on now

Blackline Master 3: S.M.A.R.T Goals

Specific

Measurable

Attainable

Realistic

Time-specific

Blackline Master 4:

Budgeting 101

- 1. Calculate monthly income.** How much do you earn? Income can include money from a part-time job, an allowance and other sources. Is your income steady? When creating a budget, it is best to use steady income amounts that are dependable. Calculate your gross and net incomes. The purpose of this exercise is to help you learn how to manage your money by being realistic about your income and expenses, so do the best you can with your current financial situation. You will most likely receive income in one of the following three ways. Select the one that best suits your income. If you do not have a steady income from a job, an allowance or elsewhere, create a budget based on a realistic expectation of an income.
 - a. Hourly wage: Right now, you likely make an hourly wage. For example, if you work 15 hours a week at \$11.50 an hour, you will calculate your gross weekly wage by multiplying 15 by 11.5 ($15 \times 11.5 = 172.5$). Multiply this number by 4 to get your monthly gross income ($172.5 \times 4 = 690$). Next, based on the itemized list on your pay stub, calculate your net income, after income tax, CPP (QPP) and EI contributions by subtracting the amount of each item from the net income; most pay stubs will show these calculations. This is the amount you have available to spend.
 - b. Lump sum: If you go to a post-secondary school you might receive lump sum loans that you will need to last the full year. In this case, you want to take the total of the lump sum, perhaps \$30,000, and divide it by 12 to find out how much you have to spend each month ($30,000 / 12 = 2,500$). As this money is likely a loan or a gift, you will not have to pay tax on it so the gross and the net amount are the same.
 - c. Annual salary: In the future, you will likely earn an annual salary. Let's say you make \$30,000 a year. Divide the income by 52 to get your weekly earnings then multiply it by 4 to get the monthly earnings ($30,000 / 52 \times 4 = 2,307.69$). Do this for gross and net. Look at your pay stub to find the different figures. Note: If you are paid bi-monthly (i.e., on the 15th and 30th of each month), you can divide the annual salary by 12. If you are paid bi-weekly (i.e., every other Friday) do not simply divide the annual salary by 12; with bi-weekly paydays, there are two months of the year with a third paycheque. Use these extra paycheques as a bonus rather than overestimating monthly income 10 months of the year.
- 2. Savings! Pay yourself first.** Even though you are young and may not make a lot of money, you should start saving early. Start small, but start now. Even small amounts will add up over time and by forming the habit early, you will have the advantage of time on your side. Life's milestones—getting your first car, going away to school, getting your first "real" job—often come with some sort of financial cost—car payments, rent and tuition fees, new professional-style clothing, etc. These are expenses for which you want to plan and save for. So, whether you are saving for school or a rainy day, savings are a must. Ideally you should save 5 to 10 percent of your income. Once you begin saving, it will become easier. An effective way to loyally save if you have a bank account is to set up an automatic transfer. You should also have an emergency fund that equals three months of living expenses.
 - a. To calculate the amount to save, take your net income and multiply by 5 to 10%. If \$1,538.46 is your net monthly income, the calculation would be $1,538.46 \times 0.1 = 153.846$, for 10%, which means saving \$153.85 every month. You can round up or down to \$150 or \$155.
 - b. Your savings will be subtracted from your net income.
 - c. Once you have created a budget that works, add your fixed and variable expenses together and multiply the number by 3 to calculate how much you should have in your emergency fund. (Fixed expenses + variable expenses = monthly expenses, monthly expenses \times 3 = emergency fund.)
- 3. Subtract your fixed expenses.** First figure out your fixed expenses. You likely don't have too many fixed expenses, such as rent and utilities, if you are living at home. But you may have a monthly cell phone bill or car payment. Services that come with a contract are generally considered fixed expenses. Reviewing your bank account activity is an easy way to find these figures in one place. The worksheet provides a list of common fixed expenses. Be sure to add any others you may have.
 - a. Use the worksheet to record your monthly fixed expenses.
 - b. These expenses will be subtracted from your net income.

Blackline Master 4:

Budgeting 101

- 4. Charitable giving.** Consider building a monthly charitable donation into your budget. Sharing what you have with others who are not as fortunate allows you to ride the wave of social change. Just like saving, if you form the habit early, you will learn to live without the money. Instead you'll know you are a part of helping a cause greater than yourself. Research charitable organizations to find the ones that best suit your interests and support needs and issues you believe in. Look for groups that focus on giving a hand up rather than a handout. Make sure the organization is a registered charity that issues tax receipts so you can claim a tax credit on your income tax return. Is your budget so tight that you're strapped to find any spare change to share? Consider sharing your time and talents with the organization of your choice. Giving comes in many forms and each way is as valuable as the next. As with saving, look for ways to cut back small regular purchases, like snacks, to find "extra" money. Rather than buying a \$2 muffin, doughnut or cookie every day at the local coffee shop, treat yourself once a week. In one month, you could save \$32 ($2 \times 4 = 8$, $8 \times 4 = 32$).
- Use the worksheet to record your monthly charitable donations.
- 5. Debt repayment.** Hopefully you don't have any debt yet, but as you enter new stages of your life, you may find you need to borrow money (for example, for post-secondary education). If or when you do, you need to include debt repayment in your monthly budget. If you are just making the minimum payment on a credit card, stop! Credit card statements show how long it will take to repay your debt if only the minimum payment is made each month. Even a small amount of debt can take years to pay off and that is without any new debt being added. Compound interest is the reason the balance grows so quickly, so pay off as much as you possibly can each month, ideally the entire balance.
- For credit card debt repayment, you will need to subtract at least the minimum payment, but ideally more. You will likely need to play with the numbers to find the workable amount, but remember, the longer you take to repay the debt, the more it will cost in interest, so make larger payments.
 - While credit card debt is not good debt, going into debt while in pursuit of post-secondary education is considered good debt. It is an investment in your future career and earning power. The long-term benefits of a college or university diploma/degree should outweigh the short-term financial pain of going into debt. In this case, try to keep the debt to a minimum by making wise choices and spending the money on school-related materials. Research the options available to you as a student; these may include special government student loans or a student line of credit.
 - Student loan debt repayment will depend on the specifics of your loan; however, most student loans will have a monthly repayment schedule you will agree to with the loan provider. In this case, simply add this amount to your expense column. When possible, make lump sum payments in addition to your monthly payments to reduce your loan and pay less in interest.
- 6. Subtract your variable expenses.** Your variable expenses, also referred to as discretionary expenses, include everything you spend money on that is not included in your fixed expenses. If your expenses are greater than your income, you are overspending. Items categorized as variable expenses should be the first to be reduced or eliminated altogether. The worksheet will help categorize your spending. Be careful not to forget anything, especially one-time items like gifts. Be conservative: underestimate income and overestimate expenses.
- Use the worksheet to record your monthly variable expenses.
 - These expenses will be subtracted from your net income.
- 7. Final countdown.** Once you have calculated your total income, fixed expenses, savings, debt repayment and variable expenses, you can check if your budget balances.
- Using the worksheet, record the final numbers. The results of your final calculations should equal zero or be a positive number; a negative number means you are spending more than you earn. If this is the case, you need to either earn more money or cut back on your expenses. If you are cutting, begin with your variable expenses, but remain realistic. If you cannot cut enough here you will have to cut back on your fixed expenses. (Total income – expenses = 0.)

Blackline Master 4:

Budgeting 101

8. Percentages to keep in mind. Financial planners use a few guidelines or rules of thumb to help keep track of how you should spend your money. Of course, there is room to wiggle; for example, if you would rather live downtown, where rent is usually more expensive, but your school/work and amenities are closer, you can reallocate from your transportation budget to your housing budget. Or if you are not repaying debt, you may be able to save more for a rainy day. Using your net income to calculate, here are the suggested percentages as guidelines:

- Savings 10% (net income \times 0.1 = savings budget)
- Housing 35% (net income \times 0.35 = housing budget)
- Transportation 15% (net income \times 0.15 = transportation budget)
- Life 25% (net income \times 0.25 = everything else budget)
- Debt 15% (net income \times 0.15 = debt repayment budget)

Blackline Master 4: Budgeting 101

Use this table to create a budget.

| Item | Amount (\$) |
|--|-------------|
| Total Income Gross Income Net Income | |
| Savings Emergency fund | |
| Fixed Expenses Cell phone Car payments | |
| Charitable Giving | |
| Debt Repayment | |
| Variable Expenses Public Transportation/Fuel Food/Restaurant Clothes Entertainment Gifts Interests/hobbies Sports Miscellaneous costs | |
| Total Income-Expenses | |

Blackline Master 5: Make 150 Count

| Item | Amount (\$) |
|----------------------------------|-------------|
| Starting fund | \$150 |
| Goal fund | \$ |
| Initial expenses including taxes | |
| Total Income - Expenses | \$ |
| Revenue | |
| Ongoing/Secondary Expenses | |
| Total Income-Expenses | \$ |
| Notes: | |

Blackline Master 6: Make 150 Count

Make a difference with \$150 in demonstration of living WE at home, in your community, and across the country. Use this worksheet to help organize your goals (ultimate and short-term), research, costs, and funds.

Goal:

Explain why you chose this goal to commit to.

Short-term goals:

What I need to know:

Costs including relevant taxes (include explanations):

Total:

Funds in (include explanations):

Total:

How would you implement your plan if you were given \$150 to make it happen?

Notes: