INTERACTIVE CLASSROOM PRESENTATION

20 LESSONS FOR MANAGING OUR FINANCES

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EARN | BUDGET | SAVE | PROTECT | INVEST | PLAN

WHAT IS FINANCIAL LITERACY?

Do you feel in control of your finances?
How to make better decisions today to improve our well-being tomorrow?

Understand

- Life cycle
- Earning and spending
- Saving and borrowing
- Investing

Choose

- Make informed/ ethical choices
- Responsible, honest, With integrity, and respect
- Don't just react to problems

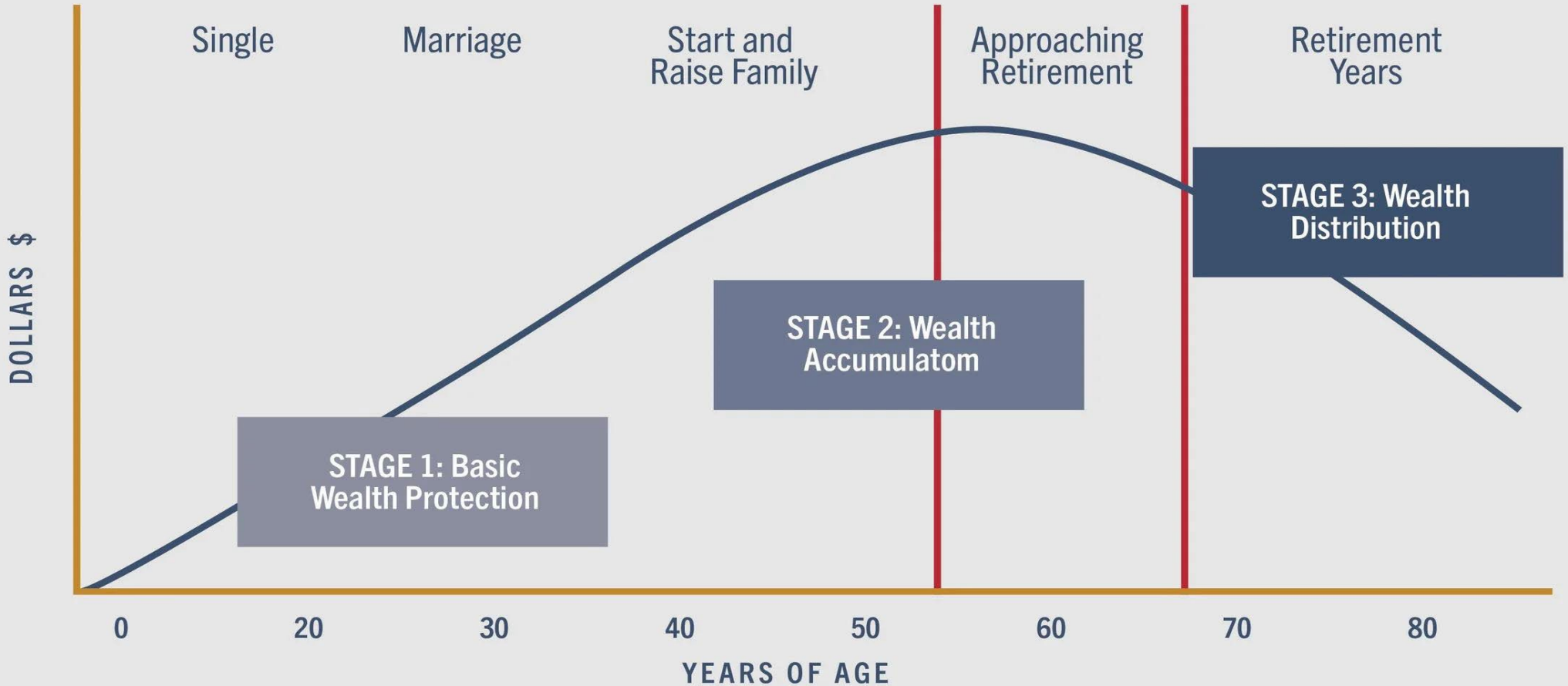
Build

- Confidence, not just wealth
- Skills that last a lifetime
- Peace of mind and long term well-being

THE BIG IDEA

Financial literacy is a life skill. It helps you make choices that match your goals. It empowers you by giving you greater freedom, independence, and control over your life.

FINANCIAL PLANNING LIFECYCLE



INCOME: WHERE DOES MONEY COME FROM?

If you receive $3,000 this month, does it mean you have $3,000 to spend?

$3,000

Gross income (before deductions)

< $3,000

Disposable income (after taxes)

Sources of income

- Work
- Business
- Investments
- Other sources

What reduces it?

- Taxes
- Deductions: income tax, Canada Pension Plan (CPP), Employment Insurance (EI), Union dues ...

ASK YOURSELF

What are your current and future sources of income? Are you ready to manage all your finances?

NEEDS, WANTS AND BUDGETING

You have $100 left this week. what comes first?
Food, Billie Eilish concert or new shoes?

INCOME — EXPENSES = MONEY FOR GOALS

Needs and wants

- Needs: essential expenses
- Wants: enjoyment or convenience

Opportunity cost: choosing one thing means giving up another

Fixed and variable

- **Fixed costs:** your baseline spending; rent, phone plan, internet, insurance, memberships
- **Variable costs:** Groceries, restaurants, cafes, transportation, clothing, entertainment

We can reduce variable cost.

Reserve

- Money for saving and investing
- Money for unexpected costs

Name your priority before you spend

A budget is a plan. Track where every dollar goes.

THE VALUE OF EDUCATION

Is education a financial investment?

Education is accumulation of human capital.
It increases opportunities for employment, income growth (and personal) and career development.
Education is costly too.

Evaluate short-term opportunity costs and financial burden versus long-term benefits.

FINANCIAL GOALS + OTHERS

Close your eyes and picture your future. If you need $100,000 in 10 years, what should you do today?

SHORT-TERM 0–2 years

MEDIUM-TERM 2–5 years

LONG-TERM 5+ years

≈ $716 / month

to reach $100,000 in 10 years at 3% a year

$833 / month

with no growth at all (0%)

GOALS: Make it specific, measurable and time-based. How much must you save regularly?

SAVING

Would you rather receive $10,000 today in cash now or in 10 years from now?
(today's average growth is 3)

Simple interest
$FV = PV \times (1 + r \times t)$

Compound interest
$FV = PV \times (1 + r)^t$

RULE OF 72: Approximate years to double = 72 ÷ annual return. Time is a strong advantage.

SMART GOALS: FINDING YOUR MONTHLY SAVINGS

To save about $716 a month, where can the money come from?

EXAMPLE PLAN: $720 A MONTH

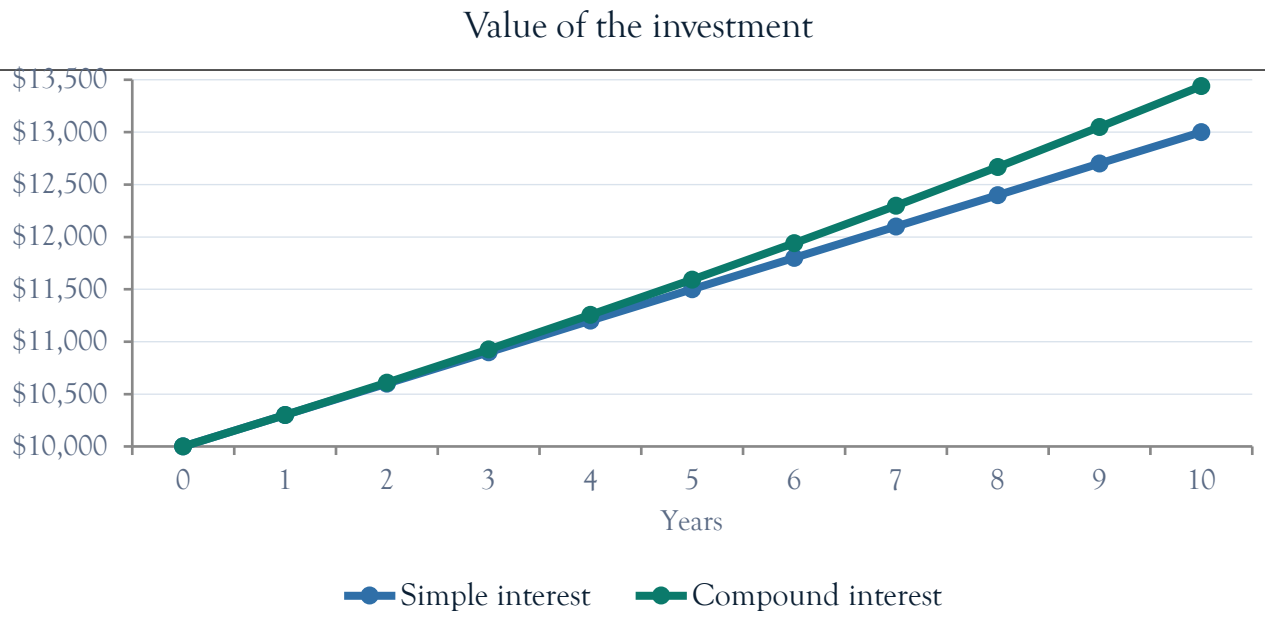
$50	Cancel or share subscriptions	**$50**	Thrift and swap clothes and gear
$200	Leave the car: transit, bike, carpool	**$200**	Eat out less, cook together
$100	Share housing costs	**$120**	Earn locally: tutoring, repairs

SMART goals:

- **Specific:** cook at home 4 nights a week
- **Measurable:** save $200 a month
- **Achievable:** start with 2 nights
- **Relevant:** it funds my $100K goal
- **Time-bound:** review after 3 months

COMMUNITY WEALTH: Share rides, tools and meals; swap and thrift; buy local. We grow richer together.

$10,000 AT 3% FOR 10 YEARS



Year	Simple	Compound	Gap
1	$10,300	$10,300	+$0
2	$10,600	$10,609	+$9
3	$10,900	$10,927	+$27
4	$11,200	$11,255	+$55
5	$11,500	$11,593	+$93
6	$11,800	$11,941	+$141
7	$12,100	$12,299	+$199
8	$12,400	$12,668	+$268
9	$12,700	$13,048	+$348
10	$13,000	$13,439	+$439

Simple interest (interest on $10,000 only)

$FV = PV \times (1 + r \times t) = 10{,}000 \times (1 + 0.03 \times 10) = \mathbf{\$13{,}000}$

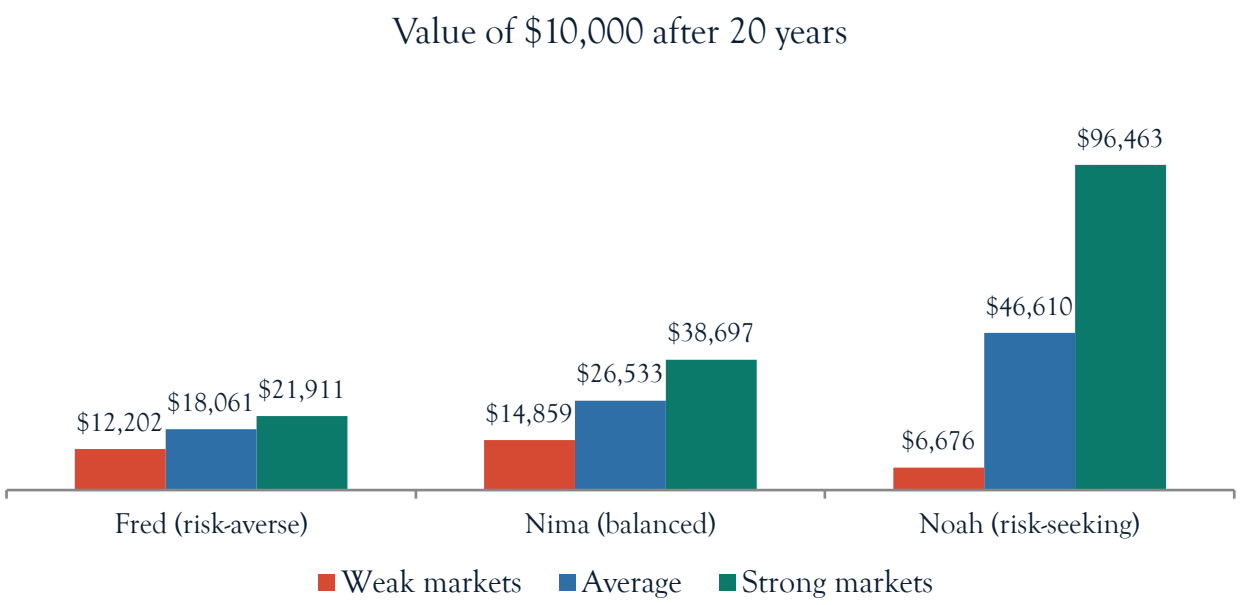
Compound interest (interest on interest)

$FV = PV \times (1 + r)^t = 10{,}000 \times 1.03^{10} = \mathbf{\$13{,}439}$

THE GAP Same 3%, but compounding adds $439 in 10 years, and the gap keeps widening: interest earns interest.

RISK PROFILES: FRED, NIMA AND NOAH

Fred, Nima and Noah each invest $10,000 for 20 years. Whose money grows the most, and who can sleep at night?



Fred: risk-averse
Prefers certainty. Savings accounts, GICs, bonds.

Nima: balanced (equilibrium)
Balances risk and return. Diversified funds, mix of stocks and bonds.

Noah: risk-seeking
Accepts big swings for big gains. Single stocks, crypto.

THE POIN: **More risk can mean more growth, and bigger losses. Find the balance you can live with.**

INVESTING: MAKE YOUR MONEY WORK

Inflation reduces your purchasing power. What could you do to protect yourself?

Invest wisely

- Stocks; Apple, Tesla's shares, high return (dividents), but high risk too
- Bonds; Government bonds, interest and lower risk diversified funds
- EFTs; S&P 500, growth of many companies, moderate risk
- Real estate; rental property, potential increase of value, but hight carrying costs

Avoid all-cash

- Cash loses purchasing power when prices rise
- Use a high-interest savings account to offset some of it

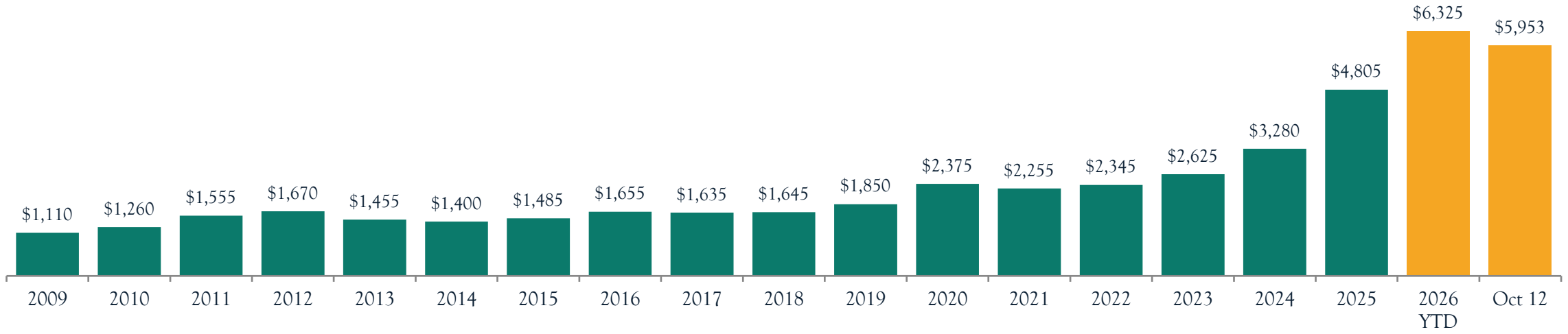
Fight rising costs

- Budget and track expenses
- Compare prices, buy smart
- Grow your income and skills
- Reduce high-interest debt

THINK IN HORIZONS: **Money needed soon and money needed in 20 years deserve different strategies. Should you save or invest?**

GOLD IN CANADA: ONE OUNCE SINCE 2009

Average price of 1 oz of gold, in Canadian dollars (last bar: spot on Oct 12, 2026)



5.4×
today's spot vs the 2009 average

≈ 9.6% a year
average growth, 2009 to 2025

−16%
2012 to 2014: gold can fall for years

THE COIN A 1 oz Gold Maple Leaf costs spot plus a dealer premium (about 1–3% in 2026): roughly C$6,000–6,150 today.

2009–2021 averages are estimates (LBMA USD average × Bank of Canada USD/CAD average), rounded. 2022–2026: CurrencyConvert. Spot: Kitco, Oct 12, 2026. Premiums: FindBullionPrices.

CREDIT, DEBT AND INTEREST

A $1,000 laptop at Costco. Your card charges 21% annual interest. What would you do?

Option A

- Pay the minimum each month (about 5% of the debt in Québec)

Option B

- Pay $100 every month (Fixed payment)

Option C

- Save first (Buy the laptop later)

CASE A: ONLY THE MINIMUM

$50
5% minimum payment

$17.50
first month interest (21% ÷ 12)

$32.50
actually reduces the debt

Of your $50 payment, only $32.50 reduces the debt.

THE QUESTION TO ASK: How much will I pay in total?

OPTION A: PAY THE MINIMUM

$50
5% minimum payment

$17.50
first month interest (21% ÷ 12)

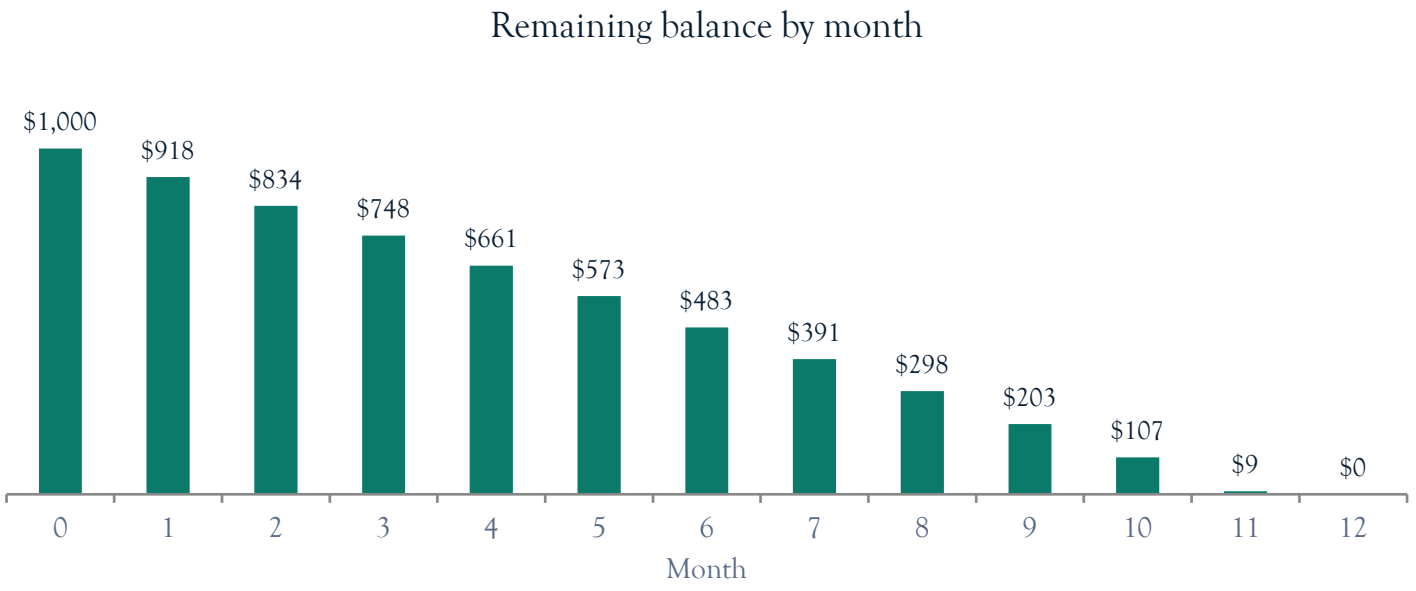
$32.50
actually reduces the debt

Of your $50 payment, only $32.50 reduces the debt.

THE QUESTION TO ASK: How much will I pay in total? It will take approximately 25 months, with $235 interest.
Total cost= $1325

OPTION B: PAYING $100 EVERY MONTH

If you pay $100 monthly, how long will it take and how much will you pay in total?



12 months
repayment period

$108.93
total interest paid

$1,108.93
total amount paid

KEY LESSON: Interest is calculated on the remaining balance, so it shrinks as the debt is repaid.
Total Cost = $1109

MISSED PAYMENTS AND CREDIT SCORE

If you miss the minimum (Québec)

- Right away: late fee, interest keeps building, grace period lost
- 30+ days late: reported to Equifax and TransUnion; score drops; stays about 6 years
- Collections: debt can be sent to an agency
- What to do: pay the minimum fast, ask to waive the fee, set up autopay, get free help

CREDIT SCORE (300–900)



WHY IT MATTERS: A good score means lower rates and easier approvals for loans, housing and phone plans.

PASSIVE INCOME OR MONEY MULE?

"Hi, Naomi here from Amazon Recruiting. I came across your profile [1] and thought I'd reach out about a flexible remote opportunity. The role involves helping merchants update product listings [2]. It takes 60–90 minutes per day [3]. Pay ranges from $250–$500 per day [4], with a $1,000 base payment [5] for every 4 working days. We're currently filling 20 positions. [6] If you're 20+ and interested, just text +1..... [7]"

The red flags

- 1 Unsolicited contact
- 2 Vague job, no skills needed
- 3 Almost no work
- 4 Pay far above market
- 5 Guaranteed base pay
- 6 Urgency and scarcity
- 7 Moves you to text

MONEY LAUNDERING; PLACEMENT, LAYERING, INTERGRATION

Once you reply to a message like in the previous slide, what might the "employer" ask you to do?

It may ask you to...

- Pay a "training" or "equipment" fee (fraud)
- Forward part of a fake cheque, buy gift cards or crypto, or send an e-transfer: you become a money mule
- Share your SIN, ID or bank details (identity theft)

What to do

- Don't reply or click links
- Block the number
- Report to the Canadian Anti-Fraud Centre: 1-888-495-8501 or antifraudcentre.ca
- Already sent money or info? Contact your bank and local police

If a job asks you to receive money and send it elsewhere, it is a scam.

LOVE & MONEY

Married or living together: who owns what if you separate or one partner dies? Protect yourself from the beginning.

Marriage or civil union

- Family patrimony is split 50/50, even with a contract
- It covers the home, furniture, family cars and retirement savings built during the marriage
- No contract: société d'acquêts/ partnership of acquests
- Contract: choose separation as to property

Common-law (de facto)

- No automatic split of property
- No spousal support, however long you lived together
- No inheritance if there is no will
- Fix it with a cohabitation contract and a will

Parental union (new)

- Since June 30, 2025: unmarried couples living together with a child born or adopted from that date
- Family home, furniture and family cars are protected
- Inherit if there is no will; still no spousal support

Without a contract, the law decides for you. Talk to a notary before you marry or move in together.

REGISTERED OR NON-REGISTERED ACCOUNTS?

The only difference is the tax implication.

Registered account

Registered with the government (CRA) that gives you a tax advantage in exchange for rules, such as contribution limits and withdrawal conditions.

- Accounts such as FHSA, RESP, RRSP, TFSA.

Non-registered account

A regular saving account with no limit and no special tax benefit. You pay taxes on:

- **Interest** (savings account, GICs): fully taxed as income.
- **Dividends** (Canadian stocks): taxed at a lower effective rate thanks to the dividend tax credit.
- **Capital gains** (selling for a profit): only 50% of the gain is taxable.

Study your choices carefully. Use non-registered accounts when you have already maximized your registered contribution.

BUYING VS RENTING: THE FULL COST

Upfront cash	Down payment, notary fees, welcome tax, inspection	First month's rent and moving; no security deposit in Québec
Monthly costs	Mortgage interest, property tax, insurance, repairs (about 1% of value a year), condo fees	Rent (rises over time) and tenant insurance
Taxes	Property tax and mortgage interest are not deductible (unless for your rental properties); gain on your principal residence is tax-free	Invest the savings (Tax-sheltered accounts)
Opportunity cost	The down payment and carrying costs could have been invested instead	Works only if you really invest the difference
Building wealth	Mortgage principal paid down; growth is possible, not guaranteed	Your investments do the work
Flexibility and risk	Selling costs, rate and price risk, repairs; harder to move	Easy to move; rent can rise; tenant rights under Québec's TAL

Compare the full cost of owning, including the return you give up, with rent plus investing the difference.

TFSA

Can people with the same income legally pay different amounts of tax?

TFSA: Tax-Free Savings Account

- Contributions from after-tax money
- No tax deduction
- Grows and withdraws tax-free, any time
- 18+, Canadian resident, SIN
- Limit: $7,000 for 2026; unused room carries forward
- Withdrawals return to your room on January 1
- Over-contributing: 1% penalty per month

FHSA

FHSA: First Home Savings Account

- Is funded after-tax
- Contributions are deductible contributions,
- Tax-free growth
- Tax-free withdrawal for a qualifying first home
- Canadian resident, 18+, first-time buyer
- $8,000 a year (carry forward up to $8,000)
- $40,000 lifetime limit
- Open up to 15 years or until age 71

RESP

RESP: Education Savings Plan

- Saves for post-secondary studies (Cégep, college, university)
- Anyone can contribute; growth is tax-free
- Withdrawals taxed in the student's hands
- CESG: 20% on first $2,500/yr (max $500/yr, $7,200 lifetime)
- QESI (Québec): extra 10% (max $250/yr, $3,600 lifetime)
- Canada Learning Bond for lower-income families
- Limit $50,000 per child; open up to 35 years
- Check your growth

RETIREMENT

When should you start planning for retirement: 25, 40, 55, or when you stop working?

Retirement

- Start with the lifestyle you want
- Pensions, RRSP, TFSA, government programs
- Starting earlier gives growth more time

THE GOAL: **Make your wishes clear and reduce uncertainty for the people you care about.**

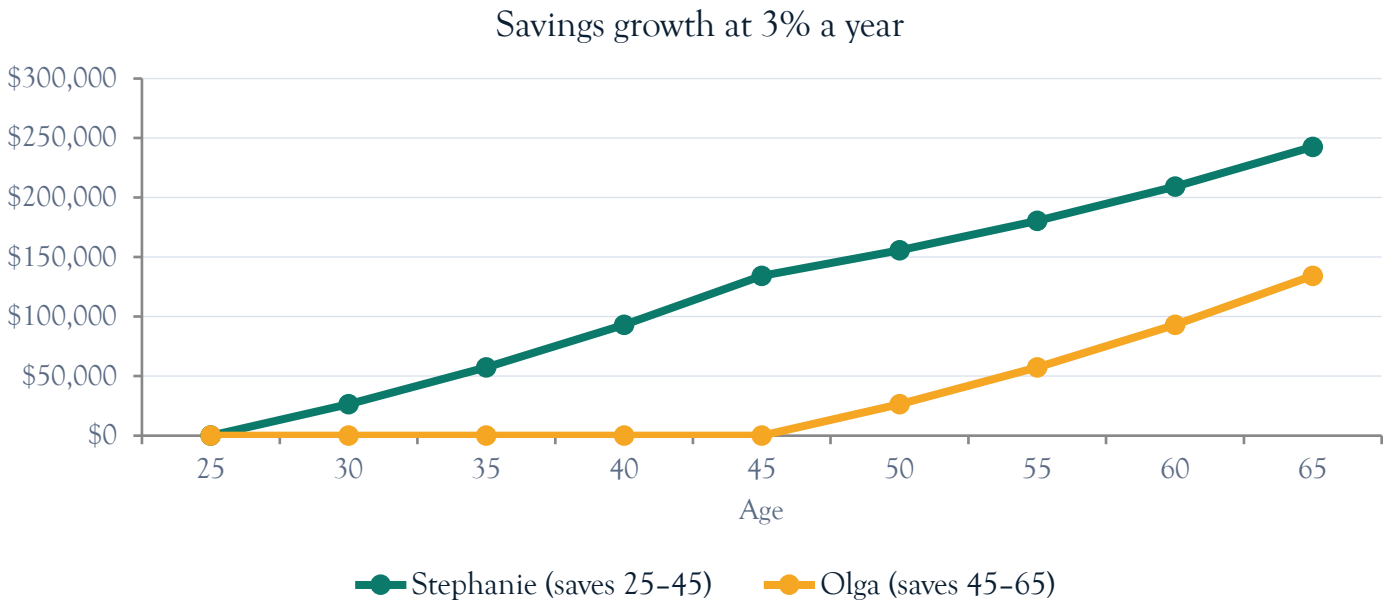
RRSP

RRSP: Registered Retirement Savings Plan

- Contribute pre-tax money and get a tax deduction
- Grows tax-deferred inside the account
- Taxed on withdrawal, ideally at a lower rate in retirement
- Holds savings: Portfolios such as GICs (Guaranted Investment Certificate), ETFs (exchange traded funds), stocks, mutual funds (collection)

STEPHANIE VS OLGA: THE POWER OF STARTING EARLY

Stephanie saves $5,000 a year from age 25 to 45, then stops to start her business. Olga saves the same from 45 to 65. Who retires with more?



$242,654
Stephanie at 65

$134,352
Olga at 65

+$108,302
more for Stephanie

TIME BEATS TIMING: Both invested $100,000 over 20 years. The early years had 20 more years to compound.

WHEN HARRY MET SALLY

THEY HAVE THE SAME INVESTMENT OPPORTUNITY, EARN AN ASSUMED ANNUAL RETURN OF 10%, AND ARE WILLING TO INVEST $2,000 EVERY YEAR.
BUT THEY MAKE TWO DIFFERENT DECISIONS.

Sally

She starts investing at age 20 with the first $2000 for her 20th Birthday.

She decides to invest $2,000 every year for 15 years, until age 35.

Investment period: 15 years

Total money invested: $30,000

At age 35, she stops contributing.

She leaves her investment untouched until retirement at age 65.

Sally thinks: "I've already invested $30,000. Now I'll let time and compound interest do the work!"

At age 35, her investment is worth approximately $63,545.

She doesn't add another dollar for the next 30 years.

At age 65:

Her retirement wealth: **$1,108,822**

Harry

When he met Sally at 35, he realizes that he needs to prepare for retirement, so he decides to invest like her, $2,000 every year until age 65.

Annual investment: $2,000

Investment period: 30 years

Total money invested: $60,000

Retirement age: 65

Harry thinks: "I will invest twice as much as Sally. Surely, I will have more money when I retire!"

At age 65:

His retirement wealth$328,988

LIFE INSURANCE: PROTECT THE PEOPLE WHO DEPEND ON YOU

What is going to happen if suddenly you cannot work? Buy Insurance; Disability and life.

Term life

- 10, 20 or 30 years of cover
- Lowest cost, no cash value
- Fits a mortgage or kids at home

Universal life

- Permanent cover, flexible premiums
- Cash value in funds you choose, so growth is possible
- More control, more complexity

Whole life

- Cover for your whole life
- Fixed premiums, guaranteed cash value with growth
- Higher cost, estate and legacy goals

WHO IS COVERED

Single life
One person, one policy. Simple and flexible.

Parents with kids
Cover both parents while the kids depend on them.

Joint first-to-die
Pays when the first partner dies. Fits a shared mortgage.

Joint last-to-die
Pays after both have died. Fits estate and legacy goals.

ALSO CONSIDER Disability, home, car, health and travel insurance.

ESTATE PLANNING

And more planning ...

Estate basics

- A will states how you want assets handled
- Appoint a liquidator/ executor to administer your estate
- Review beneficiaries on accounts and policies
- A power of attorney or protection mandate covers incapacity

Tax - implications

- Deemed disposition; as if you sold your assets at the fair market value before death.
- Principal residence = exempt from capital gain tax, but 50% on the capital gain from the rentals/ or non-registered accounts are taxed.

For larger estates

- Trust: a trustee manages assets for your beneficiaries, such as children or a business
- Foundation: a lasting vehicle for giving to causes you care about
- Ask a notary and a tax advisor

THE GOAL: **Make your wishes clear and reduce uncertainty for the people you care about.**

Summary: Québec inheritance rules without a will

Family situation	Distribution
Spouse + children	1/3 spouse, 2/3 children
Children, no spouse	100% children
Spouse + parents, no children	2/3 spouse, 1/3 parents
Spouse + siblings, no children or living parents	2/3 spouse, 1/3 siblings
No spouse, no children	Parents and siblings inherit according to legal rules

Québec inheritance: With a will vs. Without a will

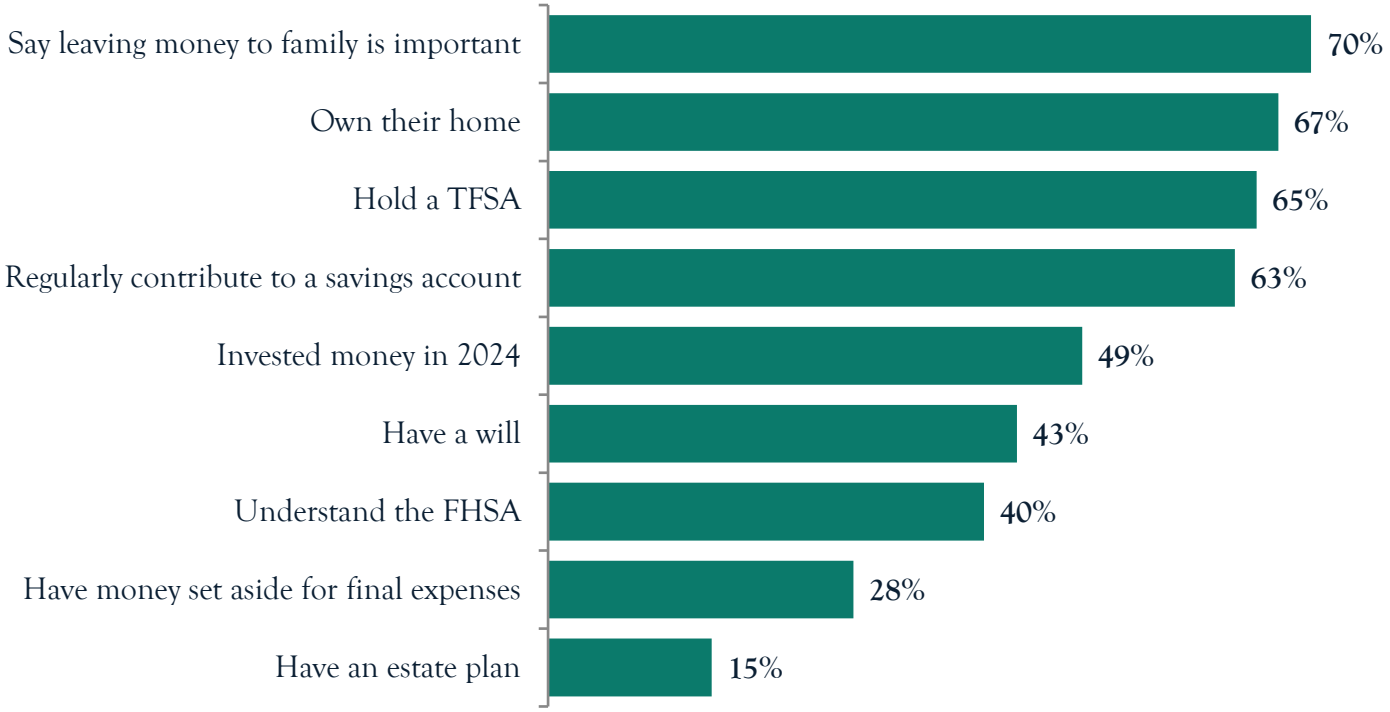
	Without a will	**With a valid will**
Who decides the heirs?	Québec succession law	The deceased generally decides
Distribution of assets	Fixed by law	According to the will
Spouse's inheritance	Depends on family situation	As specified in the will
Children's inheritance	Determined by law	As specified in the will
Common-law partner	Generally does not automatically inherit	Can be named as beneficiary
Friends / charities	Generally do not inherit under intestate rules	Can receive an inheritance
Estate administrator	Heirs appoint a liquidator	Will generally names a liquidator
Probate	No will to probate, but other estate procedures apply	Depends on the type of will
Family disagreements	Possible	A clear will can reduce uncertainty
Control over assets	Limited by succession rules	Greater freedom to distribute assets

SIMULATION OF ESTATE PLANNING = 365K – 17K= 348 K TO BE DEVIDED TO HEIRS

Assets and liabilities	**Amount**
House	$400,000
Savings	$30,000
Car	$15,000
Total assets	$445,000
Mortgage and other debts	($80,000)
Net estate before settlement costs	$365,000
Expense	**Illustrative amount**
Funeral and burial	$12,000
Will search and documentation	$500
Legal and estate administration	$3,500
Other settlement expenses	$1,000
Total expenses	$17,000

WHAT CANADIANS KNOW ABOUT THEIR FINANCES

Share of Canadians (%), latest surveys



64% vs 18%

have a will: ages 55+ vs ages 18–24

39%

of TFSA holders keep it in cash, not invested

38% vs 49%

invested in 2024: Québec vs Canada

THE GAP

Most Canadians want to leave a legacy, yet only 15% have an estate plan.

Sources: TD/Léger (2025); Narrative Research (2024, 2026); BMO (2024); Ipsos for RBC Insurance (2024); RBC (2024); Statistics Canada, 2021 Census. Different surveys and years.

WHAT IS YOUR FINANCIAL PRIORITY?

And what is one decision you can make today?

EARN | BUDGET | SAVE | PROTECT | INVEST | PLAN

FINAL CHALLENGE

Write one financial objective and one action you will take this month.

Your priorities change as life changes: review and adjust.

Success means reaching your own objective. Success is subjective.