

# FINANCIAL LITERACY PROGRAM



BUILDING SOUND FINANCIAL MANAGEMENT SKILLS

## Financial Literacy 101

Caylee Talbot

*O'Neill Wealth Partners*



Wealth  
Management

# Money



# What is money?

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**MONEY:**



*An object of value accepted as payment for a good or service.*

# Sources of money

## Where does your money (income) come from?

1

EMPLOYMENT



2

INVESTMENT



3

INHERITANCE / GIFT



4

UNEXPECTED



# Uses of money

## What do you do with money?



SAVE



INVEST



SPEND



GIVE AWAY

*FINDING THE RIGHT BALANCE IS ESSENTIAL*



# It all adds up, one dollar at a time

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*Small expenses add up over time to equal a lot of **money gone**;*

*Small savings add up over time to equal a lot of **money in your account**.*



**A \$2/day habit (coffee, pop, candy, chips, gum)**

- *Adds up to \$14/week; \$60/month; \$730/year*

**A \$5/day habit (lattes, smoothies, school lunch, snacks, etc)**

- *Adds up to \$35/week; \$150/month; \$1,825/year*

# Tax



# Tax Rates

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## GENERAL RULE



*In Canada, all income*  
**is taxable**



*unless the  
government  
says it isn't.*

## CANADA'S 2024 FEDERAL TAX RATES

Income Level	Tax Rate
<\$15,705	0%
\$15,705.01 - \$55,867	15%
\$55,867.01 - \$111,733	20.5%
\$111,733.01 - \$173,205	26%
\$173,205.01 - \$246,752	29.3%
>\$246,752.01	33%



# Taxation by Income Type: Employment



## Employment



STATEMENT OF EARNINGS				EMPLOYEE DEDUCTIONS AND EMPLOYER CONTRIBUTIONS							
TYPE	HOURS	RATE	AMOUNT	Y.T.D.	TYPE	CURRENT	Y.T.D.	TYPE	CURRENT	Y.T.D.	
				Employee #: 471662	Employer #:23609		Pay from: 2015/03/15		To: 2015/03/31		Date: 2015/04/02
BASIC PAY	15	11.25/hr	168.00	1725.00	EI	3.16	18.96				
					CPP	1.10	6.60				
					INCOME TAX	17.40	104.40				
<b>SUMMARY</b>				<b>GROSS PAY</b>	<b>DEDUCTIONS</b>	<b>NET PAY</b>	<b>NET PAY ALLOCATION</b>				
CURRENT				168.00	21.66	146.34	146.34 - DIRECT DEPOSIT				
Year-To-Date				1725.00	129.96	1,595.04					

# Banking



# Types of financial institutions (FIs)

## BANKS

- *Chartered, incorporated company*
- *Federally regulated*
- *Board of directors (Shareholder elected)*

## BIG BANKS IN CANADA

*Royal Bank of Canada*

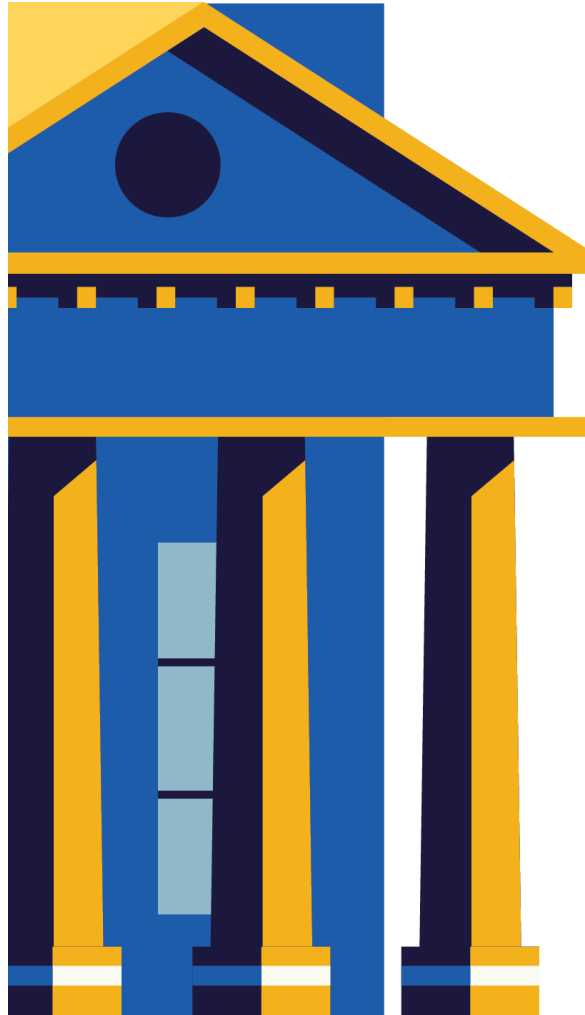
*Bank of Montreal*

*Scotia Bank*

*Toronto Dominion Bank*

*Canadian Imperial Bank of Commerce*

*National Bank*



## CREDIT UNION / CAISSE POPULAIRES (QUEBEC)

- *Cooperative*
- *Provincially regulated*
- *Board of directors (member elected)*

## CANADIAN EXAMPLES

*Vancity*

*Servus*

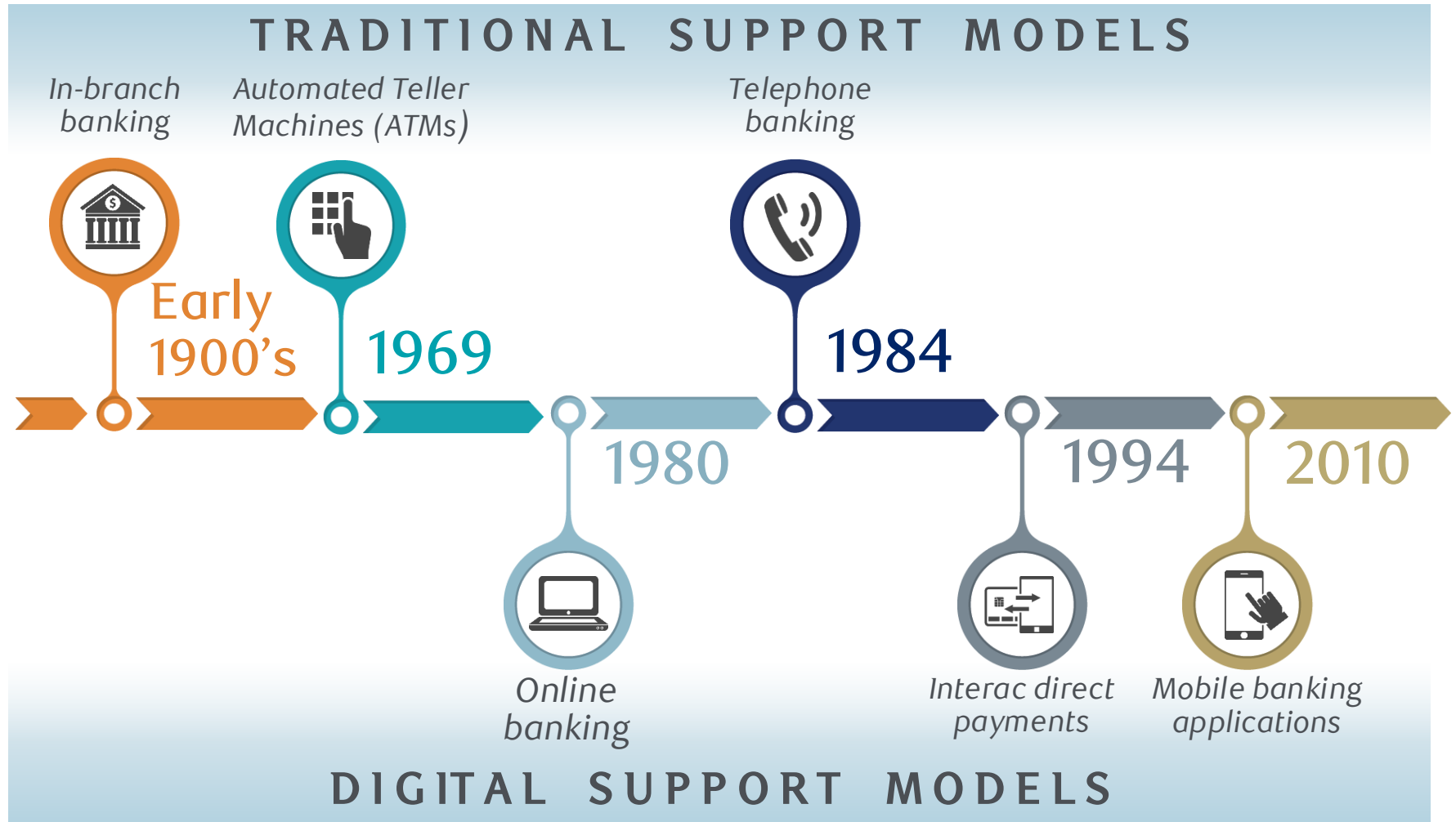
*Coast Capital Savings*

*Meridian*

*First West Credit*

*The Desjardins Group*

# Traditional vs. digital support models



# Online banking—fun facts

**89%** of Canadians report using online banking

**49%**  
used it more than any other banking method.

**65%**  
of transactions took place on a mobile device



# Primary services offered - personal accounts



## CHEQUING ACCOUNTS

*Generally used for day-to-day banking transactions*

*Deposits (incl. direct deposit)*

*Frequent withdrawals*

*Cheque writing*

*Bill payments*



Financial institutions offer different types of bank accounts to satisfy a variety of needs.



## SAVINGS ACCOUNTS

*Generally used for saving money*

*Pays slightly more interest on account value*

*Minimal withdrawals*



## BLENDED ACCOUNTS

*Offers the combined benefits of a chequing and savings account*

*Allows for regular chequing transactions*

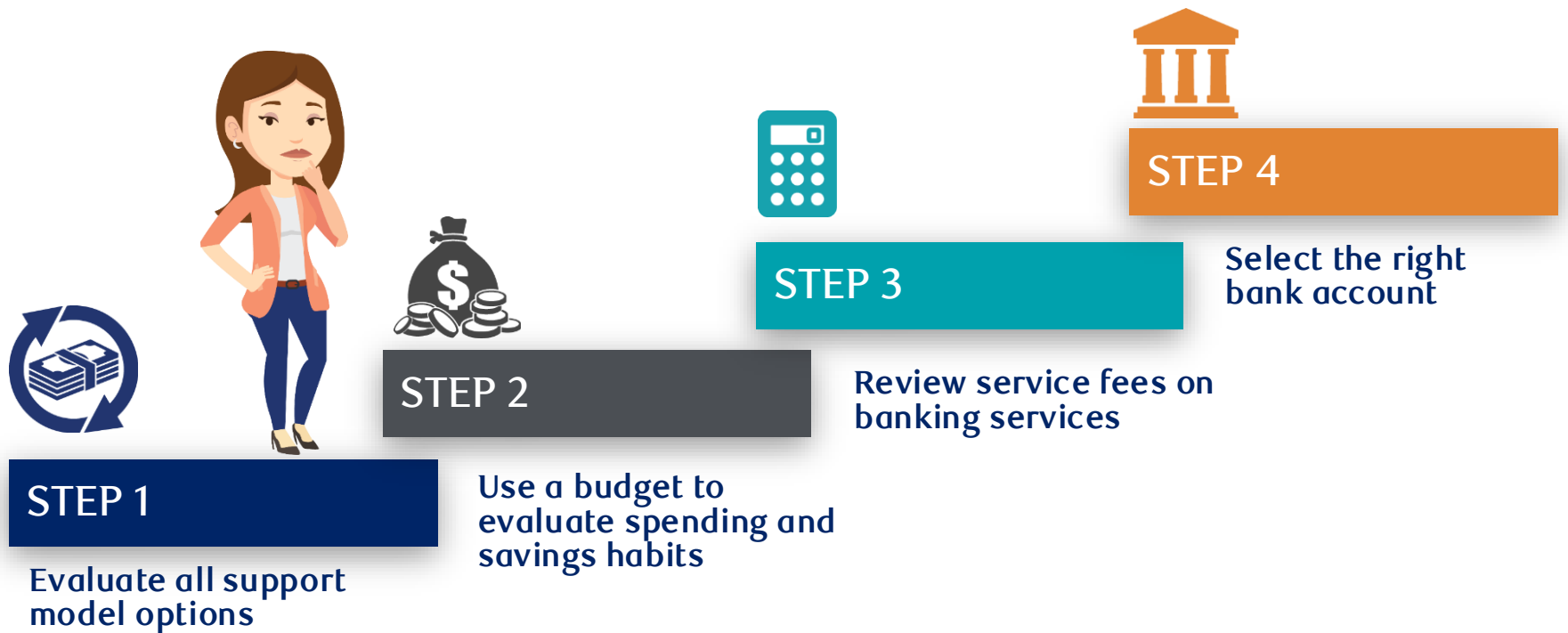
*Pays interest on account value*

*Note: Financial institutions offer a variety of accounts to help children, students and immigrants meet their banking needs; monthly, daily, and per transaction fees may apply on all account types and will vary by institution;*

# Primary services offered - personal accounts

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## Determining the right account for you



# Account features – automatic savings

**Build your savings...** automatically with pre-authorized transfers from a bank account to a savings account!

Pay yourself first

Grow savings faster at regular intervals

Easy, convenient, one-time set up

You decide the frequency and the amount

## How to Set Up Save-Matic Online

Enter the **Amount** you want to save, choose your **From** and **To** accounts, **When** to start, and select how often from the **Receive Frequency options**, then click on **Submit**.



The screenshot shows the 'Set Up Save-Matic' form in the RBC online banking interface. The form includes the following fields and options:

- Amount:** A text input field containing the value '100'.
- From:** A dropdown menu showing 'Chequing 00002-5261870'.
- To:** A dropdown menu showing 'Savings 00002-5285457'.
- When:** A date selection area with a dropdown for '16', a dropdown for 'Apr', and a dropdown for '2014', followed by a 'Calendar' icon.
- Receive Frequency:** A dropdown menu showing 'Monthly'.
- Buttons:** A 'Cancel' button on the left and a 'Submit >' button on the right. A yellow circle with the number '3' is overlaid on the 'Submit >' button.

# Direct Investing - practice accounts

## Practice trading securities ... free with Direct Investing, RBC's online trading platform

\$100,000 of no-risk practice money.

Buy and sell different types of investments including stocks and ETFs

Access the tools and research you need to become a better investor

Track your holdings over time to see how you're doing

The screenshot displays the RBC Direct Investing interface for a practice account. The account name is PRAC123B4567 - Investment. The account balance is \$100,000.00 in CAD, with a combined margin of N/A. The interface includes a navigation menu with options like Home, Monitor, Trade & Transfer, Research, Explore, and Help. Below the account information, there is a table showing holdings by currency (CAD and USD) and a section for 'MOST RECENT FROM INSPIRED INVESTOR' featuring articles on trading mistakes, top traded stocks, and tax-time tools.

Trading 12 Mo Return <sup>2</sup>	Unrealized Gain/Loss	Combined Book Cost	Combined Total	Combined Margin <sup>6</sup>
N/A	CAD 0.00 0.00%	CAD 0.00 USD 0.00	CAD 100,000.00 USD 74,357.74	CAD N/A USD N/A

CURRENCY	CASH	INVESTMENTS <sup>5</sup>	SHORT	TOTAL
CAD	100,000.00	0.00	N/A	100,000.00
USD	0.00	0.00	N/A	0.00

Exchange Rate - 1 USD = 1.34485 CAD.<sup>1</sup>

View holdings by: Settlement Currency [Go] Values displayed in: Settlement Currency [Go] Export

You do not have any positions in your account. Read [Finding Investment Ideas](#) to help you get started building your portfolio.

### MOST RECENT FROM INSPIRED INVESTOR

- INVESTING ACADEMY**  
3 Common Trading Mistakes and How To Avoid Them  
Expert tips from the trading floor to help you avoid unwanted surprises.
- INVESTING ACADEMY**  
Top 10 Traded Stocks in January 2023  
Here's what RBC Direct Investing clients traded and added to watchlists in January.
- FEATURED**  
Tax-Time Toolkit for Investors  
Our top tax-planning resources for RBC Direct Investing clients.

# Account features – Interac e-Transfers

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## **Need to pay your babysitter...** send an e-Transfer from your mobile device

### **SIMPLE**

- *Easier than cheques*
- *Send funds digitally to any Canadian financial institution*
- *No account information needed*
- *Mobile device requires name, valid email address or a mobile phone number*

### **FAST**

- *24 hours a day / 7 days a week*
- *Immediate recipient notifications and account deposit*
- *Ability to post-date transfers*

### **SAFE**

- *More secure than cash*
- *Interac networks connect to online banking portals*
- *Shared security question*



Note: sender fees may apply and vary by financial institution; receiving an e-Transfer is free.

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# Understanding ATM fees

## Do's and don'ts

to save you money down the road.

A	<b>Regular account fees</b> <i>Charges for transactions at any ATM</i>
T	<b>Network access fees</b> <i>Charges for transactions at ATMs not belonging to your bank</i>
M	



*Use your own bank's ATM whenever possible.*



*Avoid unnecessary visits to the ATM by using the cashback option available with your debit card at retail stores.*



# Credit



# Types of personal credit

**Be responsible** when borrowing on credit!

48% of Canadians feel overwhelmed by their debt\*

## CREDIT CARD DO'S

- ✓ Restrict use for emergency purposes
- ✓ Use credit to avoid carrying large cash amounts
- ✓ Collect rewards points and understand redemption terms
- ✓ Track spending habits
- ✓ Pay bills on time
- ✓ Protect yourself from fraud
- ✓ Use PIN technology

## CREDIT CARD DON'TS

- ✗ Purchase spur-of-the-moment or low priority items
- ✗ Buy things you can't afford
- ✗ Intentionally overspend to earn more points
- ✗ Take cash advances
- ✗ Miss a payment
- ✗ Share your access code
- ✗ Use TAP technology



# Safety tips for using credit cards online



*Keep your user names and passwords secure.*

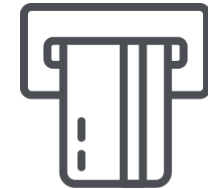


*Never auto save credit card information.*

*Shop only with familiar merchants.*



*Provide card details only after you initiate the purchase.*



*Understand the delivery, refund and returns policies.*



*Ensure you are purchasing within a secure browser (look for a padlock symbol or an "https" url).*

# How to Protect Yourself... Online

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## Best Practices to protect your information

- *Create unique passwords for different sites, ensuring they are random, long and secure*
- *Use multi-factor authentication for added security at log-in*
- *Don't click on unfamiliar links, open attachments from unknown sender or visit suspicious sites*
- *Don't give out your PIN, passwords or account numbers – to anyone!*
- *Avoid providing personal or financial information through e-mail*
- *Always back-up your files in a secure location*
- *If you share your device, ensure strong practices for administrator rights and controls*
- *Ensure all security and antivirus software is up-to-date*

# Questions?

## *O'Neill Wealth Partners*



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# Thank you

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