



Financial First Aid for Student Aid

www.nomoredebts.org | www.mymoneycoach.ca



We Help. We Educate. We Give Hope.



Top Reasons We See for Financial Trouble

1. Excessive use of Credit or Using Credit for Living Expenses
2. Unemployment / Underemployment
3. No Budget / Lack of Financial Education
4. Injury / Illness
5. Separation / Divorce and Family Expenses
6. High Student Loan Debt / Education Expenses
7. High Housing Costs

Agenda



- Debt in Canada
- Money Messages
- Budget Breakers
- Expense Tracking
- Ways to Build Savings

Objectives



By the end of this session, you will be able to:

- Understand current debt in Canada
- Recognize common money messages
- Understand common triggers to budget breakers
- What works for tracking expenses
- Learn ways to encourage students to save

“Scary” Statistics



- 40% of Canadians have no budget
- 40% of Canadians do not pay off their credit card at month end
- 36% of Canadians find their current debt load “overwhelming”
- 30% of Canadians report living pay cheque to pay cheque

“Scary” Statistics



- 51% of Canadians lie about their finances
- 25% of Canadians struggle to pay their bills at month end
- 24% of millennials demonstrate basic financial literacy

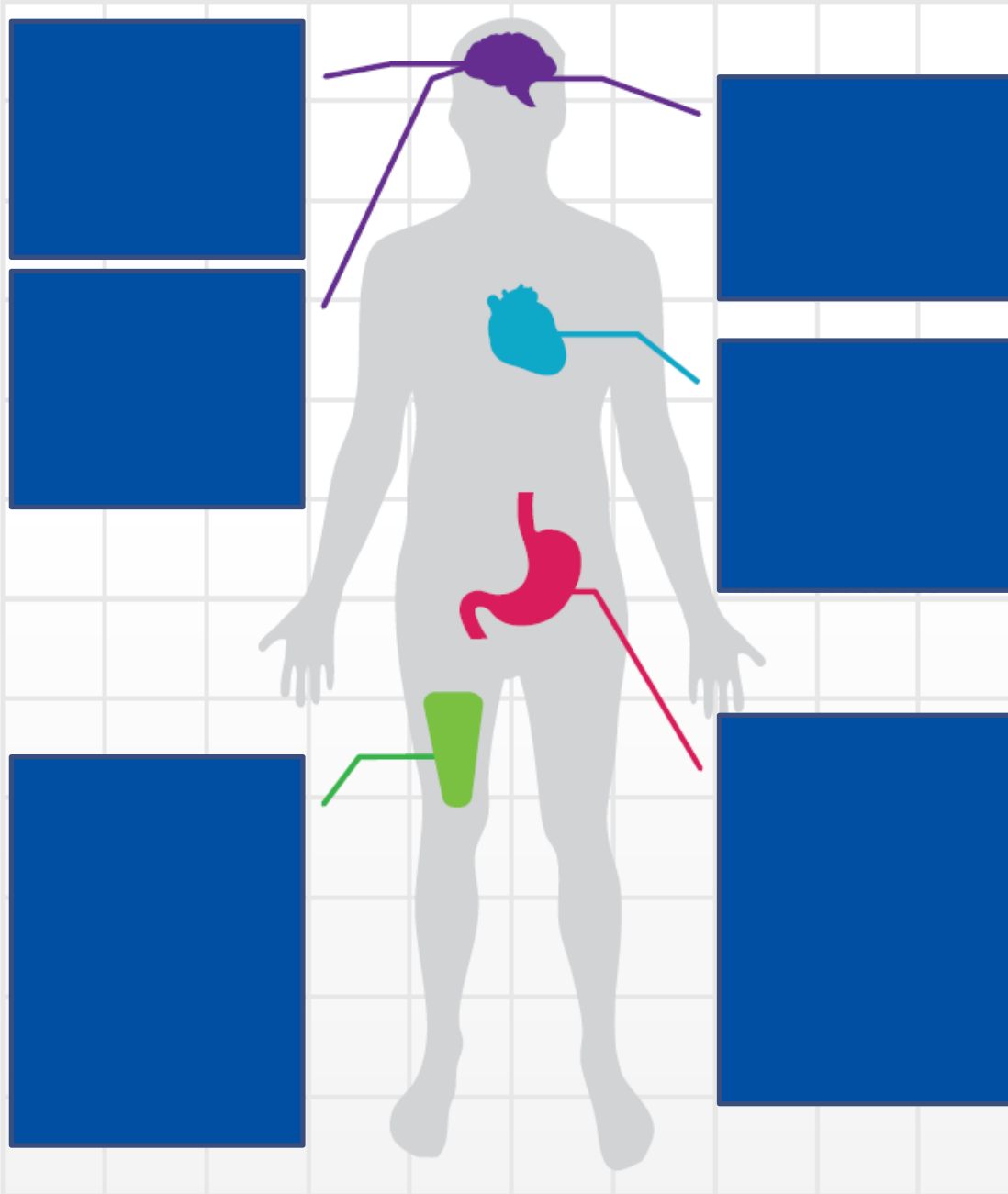
*Statistics courtesy of Bank of Montreal, Statistics Canada, and Canadian Payroll Association

Consequences of a lack of financial literacy

- Increased debt loads
- Increased student loans
- More credit cards
- Less savings
- Less money for housing
- Less money for retirement
- Difficulty becoming independent



People with high debt stress



Learning About Money

What factors influence students in how they manage money?



A stylized human figure in blue and orange, with arms raised in a 'V' shape, positioned on the left side of the slide.

Money Messages

What are students learning from:

- **their families?**
- **their peers?**
- **their teachers?**
- **social media?**



Money Messages

- Social Media impacts people's mood and mental health
- Also influences the amount of money people spend
- Greater connections and time on social media correlates with lower credit scores and more debt

A Budget is:



A *written spending plan* –
spending now and saving to
spend later.

- It's based on our own choices and priorities.

What Breaks Budgets?



- Impulse spending
- Emergencies
- Irregular Expenses
- Money Diets
- Nickel & Diming

TEMPO



Be aware of your triggers:

- Time
- Environment
- Mood
- Place
- Occasion

Time



Is there a time of the day when you spend more?

- Grocery shopping before or after work
- Weekend grocery trips

Environment



Are there certain environments that make you feel like you want to spend more money?

- Sample tables
- Waiting in the grocery store line-up
- Store placement and advertising

Mood



Are there certain moods that make you more prone to impulsive shopping?

- Do you impulse shop when you are stressed?
- Happy or celebratory?
- Sad or depressed?
- Bored or tired?

Place



Is there a certain store or place that is your weakness?

- Do you spend more in certain stores?
- Does your store have a particular scent or type of music that triggers you?

Occasion



Is there a specific holiday, tradition or event that causes you to impulse buy?

- Holidays
- Family events
- Sporting events



Expense Tracking

**How do we discuss the
importance of expense tracking
with students?**

Expense Tracking



Tracking makes a budget work!

- It tells us the truth
- It shows our habits
- It shows where we can make changes
- It gets us in control

Ways to Track Expenses



- Pencil & paper
- CCS tracking booklet
- Spreadsheet or other software
- Envelopes for receipts
- Smartphone app
 - Start with a few categories

Find the system that works for you!

Irregular Expenses



What are some expenses that occur once in a while?



Savings

**How do we encourage
students to save?**

Irregular Expenses

Housing	Living	Work	Personal
Property taxes	Car insurance*	Special clothing	Clothing/shoes \$300
City utilities	Auto maintenance \$500	Work supplies	Education
Repairs & maintenance	Annual memberships \$100	Licenses or professional fees	Holidays/birthdays \$750
Household items \$300	Dentist/Optometrist \$300		Hair care/salon services \$250
Appliances	Pet bills \$400		Hobbies
Home insurance*	Prescriptions \$200		Example Total = \$3,000

Managing Irregular Expenses



Example:

- Annual irregular expenses: \$3000
 - Monthly deposit: \$250/month
 - Biweekly deposit: \$116/pay
-
- Keep in a separate bank account!

How to Build Savings



If you receive a lump sum of money, use the 40-40-20 rule:

- 40% goes into savings
- 40% goes to repay debt
- 20% is for fun!

52 Week Money Challenge

Week	Deposit	Balance	Week	Deposit	Balance	Week	Deposit	Balance
1	\$1	\$1	18	\$18	\$171	35	\$35	\$630
2	\$2	\$3	19	\$19	\$190	36	\$36	\$666
3	\$3	\$6	20	\$20	\$210	37	\$37	\$703
4	\$4	\$10	21	\$21	\$231	38	\$38	\$741
5	\$5	\$15	22	\$22	\$253	39	\$39	\$780
6	\$6	\$21	23	\$23	\$276	40	\$40	\$820
7	\$7	\$28	24	\$24	\$300	41	\$41	\$861
8	\$8	\$36	25	\$25	\$325	42	\$42	\$903
9	\$9	\$45	26	\$26	\$351	43	\$43	\$946
10	\$10	\$55	27	\$27	\$378	44	\$44	\$990
11	\$11	\$66	28	\$28	\$406	45	\$45	\$1,035
12	\$12	\$78	29	\$29	\$435	46	\$46	\$1,081
13	\$13	\$91	30	\$30	\$465	47	\$47	\$1,128
14	\$14	\$105	31	\$31	\$496	48	\$48	\$1,176
15	\$15	\$120	32	\$32	\$528	49	\$49	\$1,225
16	\$16	\$136	33	\$33	\$561	50	\$50	\$1,275
17	\$17	\$153	34	\$34	\$595	51	\$51	\$1,326
						52	\$52	\$1,378



Final Thoughts

- We can only help our students as much as they are willing to help themselves.

Budgeting Goals

■ Tracking

- Challenge yourself to track expenses for 2 weeks

■ Impulse spending

- Create a plan to manage your triggers

■ Irregular Expenses

- Open up a separate account and make the first deposit

■ Emergencies

- Set a target and save towards it



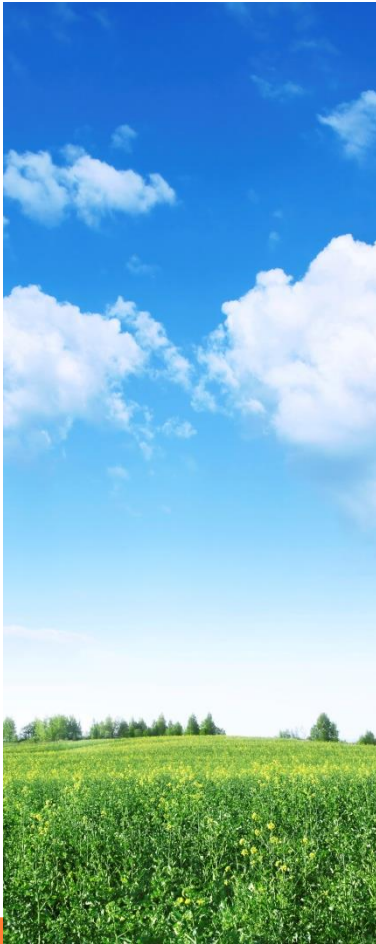
Conclusion

Now you are able to:

- List common budget breakers
- Identify some triggers of impulse spending
- Plan for irregular and emergency expenses



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How We Help



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one of our Credit Counsellors

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Message us through our online chat

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**Do one thing today to better
your financial tomorrow.**

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