

# Module: Building Money Management Skills

This module covers strategies for managing money, including approaches to spending, saving, credit, and debt management. It includes evaluating habits in each area to set informed and realistic financial goals.

# About CanWork BC

CanWork BC aims to make it easier for youth with disabilities ages 15 to 30 years old to find and keep employment. There are a series of tools and resources for youth, employers, service providers, educators, and caregivers.

CanAssist at the University of Victoria, with the support of the BC Ministry of Social Development and Poverty Reduction, wrote the Provincial Employment Strategy for Youth with Disabilities (ESYD). This strategy informed the tools and resources.

## The Youth Tool

The CanWork BC youth tool is available as an interactive online platform at [portal.canworkbc.ca](http://portal.canworkbc.ca) and through PDF workbooks such as this one. There are five dimensions of content available.

For the full PDF workbook content and accompanying facilitator guides, as well as other CanWork BC tools and resources, go to [canworkbc.ca](http://canworkbc.ca).

# Introduction

This module has three sections to help you build your skills for managing money. You'll explore:

- Identifying your spending habits and learning how to manage them effectively.
- Recognizing ways to build savings with clear goals and practical strategies.
- Understanding how credit and debt work and learning strategies to manage them effectively.

Each section will take around 15-30 minutes to complete, and you're welcome to take breaks in between.

Each section has activities that connect money management to your own life to make sure this is useful for you. Be prepared to think about and record your answers in whatever way works best. That could be writing your answers in this workbook or using a different format that works for you like voice recording or typing in a notes app.

At the end of the module, you'll have the chance to put what you've learned into practice with reflection questions. Let's get started!

# Section 1: Managing Spending

One big reason many of us try to manage our money is to make sure we're thoughtful about how we spend it. Understanding your spending habits can help you make daily choices that support your financial goals. Managing your spending is important to staying on track and reaching those goals.

## In this section, we'll cover:

- Understanding needs, wants, and priorities.
- Finding ways to make more balanced financial decisions.
- Learning tips for avoiding unnecessary purchases.

By the end of this section, you will have a better understanding of managing your spending and making thoughtful choices with your money. Let's get started!

## Engage and Explore

### Understand Needs, Wants, and Priorities

Before you can control your spending, it's important to understand the difference between needs, wants, and priorities. By focusing on your **needs** and **priorities** first, you can make better decisions and spend your money where it truly matters.

Category	Description
<b>Needs</b>	Needs are things you must have to live, like food, housing, transportation, and healthcare. These are essential for your well-being and basic survival.
<b>Wants</b>	Wants are the things you'd like to have but don't really need, like the latest phone, a new outfit, or eating out at a restaurant. While these can add enjoyment to life, they're not essential.
<b>Priorities</b>	Priorities are the things that matter most to you, based on your goals and values. For example, if you're working to pay off debt, that would be a priority. You might decide to hold off on other purchases to focus on paying down your debt.

## Intentional vs. Impulsive Spending

Knowing the difference between intentional and impulsive purchases helps you make smarter decisions about your money.

Intentional Spending	Impulsive Spending
Intentional spending is when you make thoughtful decisions about how and when to spend your money. This involves planning for purchases, such as buying groceries, paying bills, or covering any regular expenses.	Impulsive spending is when you buy something on the spot, without thinking it through, like grabbing an extra item at the checkout or purchasing an item you don't need simply because it's on sale.

When you feel tempted to buy something you don't need, take a moment to stop. Ask yourself: "Do I really need this right now, or is it just a sudden urge?" This helps you make smarter decisions with your money.

## Ways to Reduce Unnecessary Spending

There are different ways to reduce unnecessary purchases. Let's explore a few simple strategies that can help you manage your spending better:

### **Strategy: Set a limit**

Decide how much you can afford to spend on non-essentials each week and stick to it. Once you've reached your limit, wait until the next week before spending more.

### **Strategy: Make a list**

Before shopping, create a list of things you actually need. Whether you're shopping in-store or online, avoid buying anything not on your list to help prevent impulse purchases.

### **Strategy: Avoid Temptations**

The more you shop, the more likely you are to make unnecessary purchases. If you don't need anything, it's better to stay away from places you might be tempted like shopping malls and online stores.

**Strategy: Leave your credit card at home**

When you go out, leave your credit card behind, and only take cash or a debit card. This will make you more aware of your spending limits and help prevent overspending.

**Strategy: Reduce your credit card limit**

If overspending is a habit, try lowering your credit card limit. It can help you keep your spending under control, especially when a high limit makes spending more than you planned easier.

**Strategy: Sleep on it**

Give yourself time before buying something you don't need right away. Wait 24 hours and often, the urge to buy will fade away.

### **Tip**

It's important to cut back on unnecessary spending, but it's also okay to enjoy small treats now and then. Set aside a certain amount of money for these treats, so you can enjoy them without feeling guilty.

## **Make it Personal**

### **Explore Your Spending Habits**

Understanding your spending habits is important for managing your money better. Let's explore a few simple steps to help you get familiar with where your money is going. Follow the steps below, and don't forget to check out the helpful tips at the end!

#### **Step 1: Track your spending for one week**

Starting from the beginning of the next month, track everything you spend money on for one month. This includes items like snacks, coffee, transportation, and anything else. You can use the chart below or a notes app to write down each expense as it happens. Tracking for one month will give you a full picture of your spending habits. Use the following table as an example to guide your tracking.

*Example:*

Purchase	Cost	Date	Category	Notes
<b>Rent</b>	\$990.00	Feb 1	Personal Spending	Monthly rent payment
<b>Bus fare</b>	\$2.00	Feb 1	Transportation	Commute to work
<b>Grocery shopping</b>	\$35.00	Feb 1	Groceries	Weekly groceries
<b>Movies</b>	\$12.00	Feb 2	Recreation	Weekend movie
<b>Coffee</b>	\$3.50	Feb 4	Monthly bills	Morning coffee

**My purchases for the month of:**

Purchase	Cost	Date	Category	Notes



## Step 2: Categorize your expenses

At the end of each day, organize your expenses into categories such as “Groceries,” “Transportation,” “Entertainment,” and so on. This will help you see where most of your money is going. Check out the example below of how to categorize your spending.

*Example:*

Spending Categories	Total Spent
<b>Groceries</b> <i>Examples: Grocery stores, meal kits, or pet food.</i>	
<b>Transportation</b> <i>Examples: Fuel, parking, bus cost, or taxis.</i>	
<b>Personal spending</b> <i>Examples: Clothing, personal care, or cosmetics.</i>	
<b>Recreation and Entertainment</b> <i>Example: Eating out, events, or travel.</i>	
<b>Monthly bills</b> <i>Examples: Rent, insurance, or phone bills.</i>	
<b>Savings and debt repayment</b> <i>Examples: Investment contribution or car payment.</i>	
<b>Other (any other expenses)</b>	

### **Step 3: Review and reflect**

Review your list of expenses at the end of the month using the questions that follow. Write your answers below or in a notes app or another digital format that works for you.

**Question:** Were there any purchases you didn't expect?

**Question:** Did you notice any trends in your spending habits?

**Question:** What three areas do you spend the most in? Does this align with your values and goals?

**Question:** What would you like to change about your spending?  
What would you like to maintain?

## Spend Tracking Tips

Let's explore some tips that can make tracking your spending easier and more effective.

Tip	Description
<b>Make it a habit</b>	The more you track your spending, the easier it becomes! Whether you write things down in a notebook or use a phone app, find a method that works for you.
<b>Review bank statements</b>	Review your bank statements regularly to track spending and catch any extra charges. You can also use apps or software to track expenses automatically.
<b>Keep receipts</b>	Save your receipts and compare them with your bank statements to catch any unexpected spending.

## Section 2: Building Savings

Managing your money isn't just about paying bills. It's also about planning for the future and building savings. Understanding how to save money can help you reach your goals, whether it's buying something important, going on a trip, or preparing for unexpected situations.

**In this section, we'll cover:**

- Different types of savings.
- How to set realistic savings goals that fit your life.
- Assessing your current savings and habits to make better decisions.

By the end of this section, you will have a better understanding of how to build savings and create a plan to achieve your financial goals. Let's get started!

### Engage and Explore

#### Types of Savings

Savings are a portion of your income that you set aside for future use or any emergencies. Saving money helps you prepare for the future and handle unexpected costs. Whether you're planning for emergencies, a big purchase, or even education, there are different

types of savings accounts to suit your needs. Let's take a look at the most common savings accounts and how to open each one:

Account	Description	How to open
<b>High-Interest Savings Accounts (HISA)</b>	A High-Interest Savings Account (HISA) is perfect for short-term savings, such as an emergency fund. It offers a higher interest rate than regular savings accounts, allowing your money to grow faster while still being easily accessible.	You can open a HISA at most banks or credit unions, either online or in person. There are generally no fees, but interest rates can vary, so it's worth comparing rates.
<b>Regular savings accounts</b>	Regular savings accounts are the simplest and most common type. They're ideal for every day or short-term savings. It	These accounts are available at most banks or credit unions, and you can usually open one online or in person. Most regular savings

	offers easy access to your money, but typically with lower interest rates than a HISA.	accounts are free, but some banks may charge a small fee if you don't meet a minimum balance or make a certain number of transactions within a specified timeframe.
<b>Guaranteed Investment Certificates (GICs)</b>	A Guaranteed Investment Certificate (GIC) is a low-risk savings option in which your money is locked in for a set period and earns a guaranteed interest rate. It's great for growing savings you won't need access to for a certain period.	GICs are available at banks and credit unions, either online or in person. They usually don't have fees, but withdrawing early may result in penalties.

<b>Registered Education Savings Plan (RESP)</b>	<p>If you're saving for education, a Registered Education Savings Plan (RESP) helps by offering government grants in addition to your contributions, growing your savings faster.</p>	<p>You can open a RESP at a bank, credit union, or investment firm. It's free to open, but you'll need to provide details about the person the account is for.</p>
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### **What to Do If You're Under 18?**

If you're under 18, you'll need a parent or guardian to open most savings accounts for you. They'll need to provide their information, and you'll likely need to show ID. Check with your bank or credit union for details.

## **Savings Strategies**

Saving money regularly can be challenging, but having a strategy makes it easier. Here are a few simple ways to help you save more consistently:

Strategy	Description
<b>Automate your savings</b>	Set up automatic transfers from your checking account to your savings account. This way, you save consistently without thinking about it. For example, if you get paid every two weeks, you can set up an automatic transfer of \$50 from your checking account to your emergency fund right after payday.
<b>Sinking fund</b>	A sinking fund is money set aside for specific planned expenses, such as holiday shopping or a vacation. It's different from a security fund because it's for known future costs. For example, saving \$25 a month for holiday gifts will give you a nice budget by the end of the year.
<b>Security fund</b>	A security fund is a special savings account for unexpected expenses, such as car repairs or medical bills. It's good to have three to six months of living expenses saved in this fund. By saving a small amount regularly, you'll be ready when the unexpected happens without having to rely on credit or loans. Learn more about setting up your security fund from the Government of Canada: <a href="https://canada.ca/en/financial-consumer-">canada.ca/en/financial-consumer-</a>

	<a href="https://www.canworkbc.ca/agency/services/savings-investments/setting-up-emergency-funds.html">agency/services/savings-investments/setting-up-emergency-funds.html</a>
<b>Organize your savings</b>	To stay organized, consider using different savings accounts or categories for your goals, such as travel, home repairs, or new phone. This way, you can keep your emergency fund separate from your other savings and avoid using it for non-emergencies. Many banks offer no-fee savings accounts, making it easy to track your progress and see how your savings grow for each goal.

## Setting Realistic Savings Goals

It's important to set goals that are both achievable and suited to your financial situation. Here are some steps to help you set and achieve your savings goals:

Step	Description
<b>Check your current savings</b>	Look at how much you're saving now. Are you saving regularly or only when you have extra money? Find areas to cut back and put that money toward savings. For example, making your coffee at home instead of buying it could save you \$50 or more a month.

<b>Set specific goals</b>	Having clear, specific savings goals helps keep you focused. Break down large goals into smaller, achievable steps and set deadlines for when you want to achieve them. For example, instead of saying, “I want to save for a vacation,” set a goal like “I will save \$1,200 for my vacation by December 31.”
<b>Start small</b>	If saving feels overwhelming, start small. Even a small amount, saved regularly, adds up over time and help you get into the habit of saving. For example, saving \$10 a week for a year will give you \$520 by the end of the year.
<b>Make it a habit</b>	Make saving part of your daily routine. Use a jar for spare change, set phone reminders, or place sticky notes to remind you to save. For example, set a reminder to transfer money into your savings account right after payday.
<b>Review your goals regularly</b>	As your life changes, so might your savings goals. Review them regularly and adjust as needed. For example, if you get a raise, you could increase your savings or start a new goal.

Building savings is about knowing what you need and setting goals that match your money priorities. The key is to start **small**, stay **consistent**, and make saving a **regular habit** in your financial routine.

## Make it Personal

### Set Your Savings Goals and Plan

Let's create a savings plan! Whether you're already saving or just starting, this activity will guide you through the steps to set savings goals and make a plan that works for you. By the end, you'll have a clearer understanding of where you stand and how to build your savings habit.

Write your answers to any questions below or in a notes app or another digital format that works for you.

#### 1. Get a clear picture of your savings

Take a moment to think about your savings. Whether you have any right now or are planning to start, this step will help you figure out where you are and where you want to be.

#### Think! Do you have savings?

- **Yes:** Awesome! Let's figure out where your money is and how much you have in each place.
- **No:** That's perfectly fine! We'll help you think about where to keep your savings and how to start saving.

**If you have savings think about the following...**

**Question:** Where are you keeping your savings?

- *Example: Bank account, envelope, jar.*

**Question:** How much do you have in each place?

**If you don't have savings yet think about the following...**

**Question:** Where do you want to keep your savings?

- *Example: A savings account, separate envelope.*

**Question:** How much do you want to save each month?

## 2. Identify your savings goals

Now let's get clear on what you're saving for. Knowing your goals and setting a timeline for each goal helps you stay focused. Your goals may be short-term (two years or less), medium-term (three to five years) or long-term (six years or more).

Here are some common goals to help you think:

- **Emergency fund:** how much do you need to cover unexpected costs, such as car repairs or medical bills? This will give you peace of mind in case of emergencies.
- **Sinking funds:** Think about any expenses you expect over the next year, such as holidays, vacations, or new phones.

- **Large savings goals:** Do you have big purchases in mind, such as a new car, home appliances, or a phone? Let's define these goals.

**Question:** What is a savings goal you could work toward?

### 3. Create your savings plan

Now that you know your savings goals, let's figure out how to reach them.

**For each goal, ask yourself...**

**Question:** How much money do I need to save?

**Question:** When do I want to reach this goal?

### Tip

Break your larger goals into smaller steps. For example, if you need \$1,200 for a vacation in 12 months, save \$100 each month. Start small and gradually increase the amount when you are able. Setting up automatic transfers can make saving easy and consistent.

#### 4. Reflect and adjust

After setting up your savings goals and plan, it's important to check in regularly to track your progress.

**Complete a monthly check-in** by answering the following at the end of each month...

**Question:** Are you hitting your savings targets?

**Question:** Do you need to save more or adjust your plan?

**Tip**

Adjust as needed – life changes and so might your savings goals. It's okay to change the amounts you save, the timeline for your goals, or even your savings strategy if needed. The key is to keep moving forward.

## Section 3: Understanding Credit and Debt

Managing your credit and debt isn't just about paying off what you owe. It's also about knowing how debt works and making good decisions for your future. Whether you're trying to pay off debt, use credit smartly, or manage both, understanding these basics will help you stay on track.

**In this section, we'll cover:**

- Understanding what credit and debt are.
- Ways to manage and pay off debt more easily.
- Clearing up common myths about debt.

By the end of this section, you will have a better understanding of how to manage credit and debt and make more informed financial decisions. Let's get started!

### Engage and Explore

#### What are Credit and Debt?

Credit and debt are fundamental parts of managing your finances. Whether you're borrowing for a big purchase like a home, using a credit card, or paying off student loans, it's important to understand how credit works and how debt can impact your financial health. Let's explore what each of these concepts means.

Credit	Debt
<p>Credit is money that you borrow from a lender with the agreement to pay it back later, often with interest. Lenders may include banks or credit unions, credit card companies, or other financial institutions. Your ability to get credit depends on your credit history and credit score, which show lenders how reliable you are in paying back borrowed money.</p>	<p>Debt is what you owe when you borrow money. It comes in different forms, from loans to credit card balances, and it can have different terms, such as interest rates and payment schedules. Debt isn't always bad, but managing it wisely is key to maintaining financial well-being.</p>

## Types of Debt

There are different types of debt, each with conditions. Let's take a look at some of these common types:

Type of Debt	Description
<p><b>Credit card</b></p>	<p>This is money you owe on credit cards. It often comes with high interest rates if not paid off in full every month. Credit card debt can grow</p>

	quickly if you only make minimum payments, so paying more than the minimum is a smart move.
<b>Loans</b>	Loans can be for things like a home (mortgage), education (student loans), or a car (auto loans). Loans can have either fixed interest rates (which stay the same) or variable interest rates (which can change over time). Knowing the difference helps you plan your payments more effectively.
<b>Low versus high interest</b>	Loans or credit with low interest are typically easier to manage because less interest is added to your monthly balance. High-interest debt, like credit cards or payday loans, can grow fast, making it harder to pay off.
<b>Fixed vs. variable interest</b>	With fixed interest, your payments stay consistent over time, making it easier to budget. Variable interest means your payments can change based on market conditions, which can make debt management more unpredictable.

**Here's an example to help:**







If you borrow \$1,000 on a credit card with high interest and only

make the minimum payment, it will cost you hundreds of extra dollars due to interest. On the other hand, a fixed-rate student loan with low interest will generally cost you less overall if you make regular payments.

Understanding your loan conditions and having a regular payment plan is the best way to ensure you don't pay more than you need to.

## Busting Common Debt Myths

Misunderstandings about debt can make it seem scarier than it is. Let's clear up a few common myths.

 Myth	 Truth
 <b>All debt is bad</b>	 Some debt, like a mortgage or student loan, can help you build a future, whether by providing a home or an education. What matters is how you manage your debt.
 <b>Debt is a sign of financial irresponsibility</b>	 Most people will have debt at some point, whether it's a loan or credit card balance.

	The key is understanding your debt and having a plan to pay it off.
<input checked="" type="checkbox"/> If someone has a lot of debt, it means they're a bad person	<input checked="" type="checkbox"/> Debt does not define your character! It's a financial tool that, when managed well, can help you reach your goals.

## Managing Debt

Once you understand debt and the types you might have, it's important to develop strategies to manage it effectively. Check out these strategies below:

Strategy	Description
<b>Review your current debt</b>	Start by reviewing all your current debt. Make a list of each debt, its interest rate, and the minimum monthly payment. Then, set a timeline for paying off your debts. This helps you stay focused and motivated as you work toward becoming debt-free.

<p><b>Prioritize debt payments</b></p>	<p>Pay off high-interest debt first, as it costs you the most over time. For example, if you have credit card debt and a student loan, focus on paying down the credit card balance first since it likely has a higher interest rate. Set specific goals for <b>how much</b> you aim to pay off each month and by <b>when</b> so you can track your progress.</p>
<p><b>Make more than the minimum payment</b></p>	<p>Paying just the minimum can keep you in debt for a long time, especially with high-interest credit cards. Pay more than the minimum whenever possible to reduce your debt faster and save money on interest.</p>
<p><b>File your taxes</b></p>	<p>Filing your taxes each year can help you access benefits and credits that may assist in repaying your debt. Even with little or no income, filing your tax return is important. If your tax situation is simple and you have a modest income, free tax clinics can assist in filing your return.</p>
<p><b>Avoid taking on more debt</b></p>	<p>Start saving a little every day by cutting small expenses. This could mean making coffee at home or bringing lunch to work rather than eating out. Avoid "buy now, pay later" plans as they can lead to high fees and more debt if not paid on time. Use your credit card responsibly by sticking to your</p>

	budget and using cash or debit to avoid spending money you don't have. Reduce banking fees by using ATMs from your bank or credit union and reviewing your bank account package to avoid extra charges.
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## Finding Debt Support

If you're struggling with debt, there are trustworthy resources that can help you get back on track.

Type	Description
<b>Accredited non-profit credit counselors</b>	These counselors provide free or low-cost advice to help you evaluate your debt, create a budget, and find ways to pay off your loans. To learn more, check out this Government of Canada resource on getting help from a credit counselor: <a href="https://canada.ca/en/financial-consumer-agency/services/debt/debt-help.html">canada.ca/en/financial-consumer-agency/services/debt/debt-help.html</a>
<b>Licensed insolvency trustees (LITs)</b>	If your debt situation is serious, LITs are authorized to help you with debt restructuring or bankruptcy if necessary. They'll help you navigate complex debt situations. To learn more, check out this Government of Canada resource on finding an active licensed

	<p>insolvency trustee:</p> <p><a href="https://ic.gc.ca/app/scr/tds/web/?lang=eng">ic.gc.ca/app/scr/tds/web/?lang=eng</a></p>
<b>Financial advisors</b>	<p>A financial advisor can help you plan for long-term financial health, ensuring that you manage your debt responsibly and help you make better financial decisions in the future.</p>

## Make it Personal

### Debt Payoff Plan

Let's get started on creating a simple plan to pay off your debt. Follow the steps below to list your debts. Write your answers below or in a notes app or another digital format that works for you. This will help you see what you owe and start planning to pay it off. By the end, you'll have a better understanding of your debt so you can begin to take action.

#### 1. Make a list of all your debts

Start by listing everything you owe. Include the amount, interest rate, minimum payment, due date, and whether the payment is automated.

*Example:*

Debt Type	Amount Owed	Interest Rate	Min. Payment	Payment Due Date	Automated (Yes/No)
Credit card	\$500	18%	\$25	15 <sup>th</sup> of month	Yes
Car loan	\$5,000	5%	\$150	1 <sup>st</sup> of month	No
Student loan	\$10,000	3%	\$50	25 <sup>th</sup> of month	Yes

**Your debts:**

Debt Type	Amount Owed	Interest Rate	Min. Payment	Payment Due Date	Automated (Yes/No)


## 2. Set your goal

Now, think about your debt repayment goal by answering the following... how much extra money you can put toward your debts.

**Question:** Which debt will you focus on and how much extra money can you put toward it?

- *Example: I will aim to pay off the high-interest credit card debt first or I will work toward the balance on a smallest loan first and I can pay an extra \$50 a month.*

### 3. Make your payment plan

- **High-interest debts first:** If you're focusing on high-interest debt (like credit cards), make the minimum payments on all other debts and put extra money toward the high-interest debt.
- **Small balance first:** If paying off a small debt first motivates you, go for it! The goal is to keep up the momentum and reduce the number of debts.

**Question:** What are the details of my debt repayment plan?

#### Tip

Take a look at your budget and see if there are any areas where you can cut back, like eating out or shopping for non-essentials. Use that extra money to pay down your debt faster!

## Reflect and Connect

We've covered a lot in this module, including:

- Exploring strategies to track and manage your day-to-day spending.
- Identifying different types of savings accounts.
- Understanding how credit and debt work.

Take a moment to think about the questions below and how they relate to your experiences. Think of this as a reflective journal for yourself, which you can refer to later.

Happy reflecting!

**What's one spending habit you feel good about? How does it help you financially? What's one small change you want to make to manage your spending? Try it this week and see how it goes!**



**What's a small savings goal you can start with this week?**

- *Example: Save \$5 or try a savings strategy, like hiding your savings account balance from your main banking view.*

**What's a saving or debt repayment strategy you learned that you'd like to try? Why does it feel like a good fit for you?**

**What challenges do you think you might face when trying to save or pay off debt? What's one way you can work through those challenges?**

# Keep Going

There is so much more to learn! Access the full CanWork BC content and learn more about the program at **[canworkbc.ca](https://canworkbc.ca)**.

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