

English for Financial Literacy



Volume **2** CLB 3-5

A classroom resource for teaching
financial literacy topics to adult ESL learners
Canadian Language Benchmarks 1-8

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Instructor Guide

Welcome to *English for Financial Literacy*, an instructor’s resource for teaching financial literacy concepts and skills in LINC and adult ESL programs at CLB levels 1 to 8. *English for Financial Literacy*. It complements a series of CIC-funded resources for LINC programming, including the *LINC 1–5 Curriculum Guidelines*, the *LINC 1–4 Classroom Activities*, the *LINC 5–7 Curriculum Guidelines*, the *LINC 5–7 Classroom Activities* and the *Citizenship Resource CLB 1–8*. The main objective of *English for Financial Literacy* is to help instructors incorporate financial literacy content into their program planning and teaching, and support them in learning about key topics and concepts related to financial matters.

The content of the *English for Financial Literacy* resource was specifically guided by the principles of methodology and thematic content of the *LINC 1–5 Curriculum Guidelines* and the *LINC 5–7 Curriculum Guidelines*. The resource provides ideas for curriculum content and sample reproducible activities that:

- are consistent with the Canadian Language Benchmarks 2012
- are relevant to the needs, goals and interests of newcomers to Ontario
- integrate the instruction of financial literacy concepts and skills with the English language instruction at CLB levels 1 to 8
- address numeracy skills pertinent to the specific financial literacy topics

The development of the resource was informed by:

- a review of literature on financial literacy, financial literacy instruction, and existing financial literacy curricula and resources
- a survey of the needs of LINC learners and instructors across Ontario
- consultations with an advisory committee comprising key stakeholder representatives and financial literacy experts
- field testing by instructors in a variety of LINC programs across Ontario
- critical reviews by adult ESL methodology and financial literacy experts

OVERVIEW OF THE RESOURCE

Organization

English for Financial Literacy is organized by CLB levels and consists of three volumes:

- Volume 1 is intended for learners at CLB 1–2 as well as ESL literacy learners.
- Volume 2 is intended for learners at CLB 3–5.
- Volume 3 is intended for learners at CLB 6–8.

Each volume is organized by themes and topics, following the organizing principle of the LINC 1–5 resources. There are five themes in each volume:

Banking and Personal Finance
Consumer Matters
Education
Employment
Housing

These themes are further divided into topics with planning tools and sets of activities designed around specific financial literacy outcomes. The topics vary from volume to volume; the selection of topics in each volume is determined by the language proficiency levels. The topics draw on the content ideas of the LINC themes and related financial concepts or skills. Consequently, the activities provide opportunities for practice in both language and financial literacy skills.

Each topic includes:

- **Learning Outcomes** with sample financial literacy and language outcomes. Financial literacy outcomes are divided into two groups: *Understanding and Knowledge* and *Application*. Language outcomes, based on CLB competency statements, are adjacent for easy reference. The selected sample outcomes can be used to plan a lesson or series of lessons around them.
- **Background Information and Key Language Elements.** This page provides key factual information on the topic as well as a sidebar with related level-appropriate language elements that can be taught: key vocabulary, collocations, abbreviations, possible grammar structures, and related skills and strategies. Instructors can use this page to inform themselves about the topic; they can also use the sidebar as the basis for developing their own activities, such as vocabulary practice exercises.
- Sets of reproducible **activity worksheets** preceded by **Teaching Notes.** The teaching notes are intended to help instructors plan and deliver the instruction; they offer listings of financial literacy outcomes pertinent to the specific activities/tasks and related CLB competencies. They also provide instructors with teaching ideas, ideas for extending the tasks, and Beyond the Classroom ideas, which offer guidance on how learners can extend what they've learned beyond the classroom and relate it to their personal goals and needs. The teaching notes also include answer keys and transcripts.
- Supplementary **numeracy worksheets.** These worksheets accompany sets of activities in Volume 1 and are designed to provide additional practice for learners who need it.

The activity worksheets are designed to address all four language skills, focusing on developing the language related to a given financial literacy concept. They can be used as they are, or adapted to suit a range of teaching and learning styles as well as learners' specific needs.

The reproducible sample activities of *English for Financial Literacy* are accompanied by online activities. These activities can supplement what is taught in the classroom and provide additional practice in language, numeracy and financial literacy skills. By using a different medium, these activities provide learners with independent learning practice. They can

be used to consolidate learning and provide simulations of situations where learners can practise their language skills.

Guiding principles

The content and methodology of *English for Financial Literacy* are founded on:

- the theory and principles of the Canadian Language Benchmarks
- the thematic content and skills specific to financial literacy
- a task-based approach of content-based instruction and Essential Skills

The resource is consistent with existing LINC documents in that it reflects the underlying principles of the Canadian Language Benchmarks:

- It facilitates the development of all five components of communicative proficiency (linguistic competence, textual competence, functional competence, socio-cultural competence and strategic competence) by ensuring that classroom tasks and activities are designed to include these components.
- It uses a task-based approach, where emphasis is on developing language skills in a variety of contexts through tasks that approximate real-world tasks and through the use of authentic texts where possible.
- It is learner-centred: learner needs, goals and interests are the focus of the program and determine its content.

English for Financial Literacy also draws on content areas and core financial literacy competencies that are listed in the section entitled *What is Financial Literacy?* The financial literacy competencies include prose literacy, document literacy, numeracy and problem-solving skills as well as oral fluency and confidence.

These skills relate to *Essential Skills*, which are the skills and abilities that are essential to success in the workplace. They are:

- *Reading Text*
- *Document Use*
- *Numeracy*
- *Writing*
- *Oral Communication*
- *Work with Others*
- *Thinking Skills*
- *Computer Use*
- *Continuous Learning*

Typical applications for these skills could be financial literacy tasks. For example, in *Reading Text*, the application would be integrating and synthesizing information, or reading to understand, learn, or evaluate; in *Thinking Skills*, it could be problem solving or decision making. In *Numeracy*, it would be numerical estimation and calculation. These *Essential Skills* applications (tasks) are embedded in language activities and, in this way, address financial literacy skills through language instruction.

Finally, the document draws on elements of Content-Based Instruction (CBI). In CBI methodology, language instruction is the vehicle for gaining knowledge of content and acquisition of content-related skills. Through task-based instruction, learners have an opportunity to acquire and improve their language skills while developing financial literacy.

WHAT IS FINANCIAL LITERACY

Financial literacy has many possible definitions, but all of them refer to a set of personal skills and knowledge. The Task Force on Financial Literacy defines it as:

...having the knowledge, skills and confidence to make responsible financial decisions. “Knowledge” means understanding personal and broader financial matters. “Skills” are the ability to apply that knowledge in everyday life. “Confidence” means feeling self-assured enough to make important decisions. This is often a key factor in galvanizing people into action. By “responsible financial decisions,” we mean that people will be able to use the knowledge, skills and confidence they have gained to make choices that are appropriate to their own circumstances.¹

Making financial decisions in present times is a complex task and requires understanding and knowledge of various areas such as saving, spending, borrowing and investing, as well as a wide range of skills, for example consumer literacy, document use, decision making, critical thinking and problem-solving skills, to name a few. It also requires awareness of any risks involved in making various financial choices. By incorporating the financial literacy content into language teaching, instructors can help learners develop the knowledge and skills that will enable them to understand and respond to various issues related to their own or their families’ finances.

Consumer and financial literacy can be described through key competencies in several broad areas. These competencies can be used as a reference when formulating contextualized financial literacy outcomes, and further, relating those outcomes to the language outcomes. The competencies listed below have been divided into two categories: *Understanding and Knowledge* and *Application*. *Understanding and Knowledge* is about the nature of money and its forms, how money is used, and what implications or consequences consumer and financial decisions can have. *Application* refers to applying the financial and consumer understanding and knowledge in various contexts, using initiative to build one’s own financial capacity, and making financial and consumer decisions. These two groupings are interrelated and embrace the broad range of knowledge, skills, values and attitudes as they relate to financial literacy.

UNDERSTANDING AND KNOWLEDGE	APPLICATION
EARNING	
<ul style="list-style-type: none"> • Understand forms of employment and the financial implications they have • Understand how taxes and other deductions affect income; understand gross and net pay • Understand various forms of income • Understand how various training and employment choices impact future earnings 	<ul style="list-style-type: none"> • Make informed decisions about own cash flow, assets and investments • Explore different options in making money • File a tax return • Consider training options to advance own employment opportunities • Estimate and calculate earnings and deductions • Track employment records and income
SPENDING	
<ul style="list-style-type: none"> • Understand own relationship with and attitude towards money • Understand value of money • Distinguish between needs and wants • Recognize how personal spending habits and decisions affect own and/or family situation 	<ul style="list-style-type: none"> • Use budget tools to plan spending • Keep financial records and track own spending • Identify and keep track of factors that impact own cash flow

¹Task Force for Financial Literacy, <http://www.financialliteracyincanada.com/definition.html>, retrieved December1, 2012.

BORROWING	
<ul style="list-style-type: none"> • Understand the cost of borrowing and risk involved; understand how compound interest works • Understand when and how to use credit to own advantage • Understand how borrowers are assessed and qualified by lenders • Be aware of the warning signs of debt • Understand what credit history, credit score and credit rating are 	<ul style="list-style-type: none"> • Identify type of credit appropriate for own situation • Evaluate consequences of using various types of credit • Shop around, compare and apply for credit • Learn how to use financial calculators and various tools to calculate the cost of borrowing • Identify ways to build own credit history • Select a credit card suitable for own needs • Track own borrowing
SAVING	
<ul style="list-style-type: none"> • Identify own financial needs and wants • Understand the importance of financial planning • Understand how various saving vehicles and products work • Recognize the value of saving as a means to own financial stability 	<ul style="list-style-type: none"> • Formulate long- and short-term financial goals • Prepare personal and/or family budgets to build wealth • Compare different saving options • Compare different forms of investments • Save for own retirement, child's or own education, down payment towards a house, etc. • Monitor the value of own savings
CONSUMER LITERACY	
<ul style="list-style-type: none"> • Understand how own lifestyle and personal choices affect own financial situation • Understand how to compare various products/ services and their costs • Be aware of consumer fraud and scams • Be aware how advertising affects own spending decisions • Understand consumer rights and responsibilities • Understand how insurance works 	<ul style="list-style-type: none"> • Become proficient in using calculators and various financial tools to calculate interest, discounts, cost of renting or leasing, or to compare costs • Identify cases of consumer fraud • Avoid fraud and scams • Protect own identity • Take recourse when own consumer rights are violated • Evaluate and select insurance policy suitable for own needs

INCORPORATING FINANCIAL LITERACY IN ADULT ESL PROGRAMS

Key considerations

Teaching financial literacy concepts and skills to adult ESL learners can be quite different from teaching them to other audiences, such as youth. Here are some of the factors that instructors need to recognize and consider before planning and developing their programs:

- Recent research on financial literacy concludes that newcomers cannot be characterized as a homogenous group, with the same needs and goals. On the contrary, newcomers to Canada represent a variety of social, educational and financial circumstances and differ greatly in terms of experiences, attitudes and norms related to money issues. Similarly, their financial needs and goals can be as diverse. This can pose a real challenge to an instructor who wants to incorporate financial literacy concepts and skills into their program. A carefully planned needs assessment will help instructors identify the finance-related topics that are of high interest for a particular group of learners.
- Teaching complex or abstract financial literacy concepts to learners with basic language proficiency can pose many challenges or may simply not be possible due to the lack of comprehension or communication at the required level. Often, limited language proficiency is accompanied by weakness in the underlying skills (for example, document literacy, numeracy, problem-solving skills). Raising levels of financial literacy requires first developing these underlying skills and the language skills, and then reinforcing them in various financial literacy contexts.
- The financial literacy competencies cannot be achieved solely through classroom instruction; reflection on one's own financial goals, attitudes and habits, as well as self-assessment of learning, also need to take place. The actual achievement of the specific financial literacy competencies will take place outside the classroom, in real-life situations, on an as-needed basis, rather than immediately or in the near future. Instructors can encourage learners to develop and use strategies to take charge of their learning and the development of their financial literacy.
- LINC and adult ESL instructors may themselves find the content of some financial literacy topics difficult and, as a result, lack sufficient confidence to address them in the classroom. Instructors may also feel uncomfortable discussing financial matters due to their own experiences or cultural norms and attitudes. To remedy this, instructors can inform themselves about the specific financial literacy topic they intend to teach and explore learners' cultural attitudes about it.

The planning process

To plan a lesson or series of lessons integrating financial literacy and language learning, instructors can follow their usual planning routine, keeping in mind that it may be important and efficient to factor in the financial literacy content at the early stages of the planning process. The planning model discussed below demonstrates how financial literacy can be integrated with language teaching.

In addition to the typical needs assessment done for a language program, where information is gathered about learners' interests and needs, instructors will need to get a sense of the level of financial literacy among the learners in their class. Instructors can do this every time they plan a new theme by identifying possible financial literacy aspects within that theme and gathering information from learners. This can be done in a variety of ways, such as an informal class discussion, a checklist, a questionnaire, or a *What do you know about ...* quiz. The financial literacy content will vary from theme to theme; some topics, by virtue of their content, do not have a financial literacy aspect, while others provide many opportunities to make connections to financial literacy.

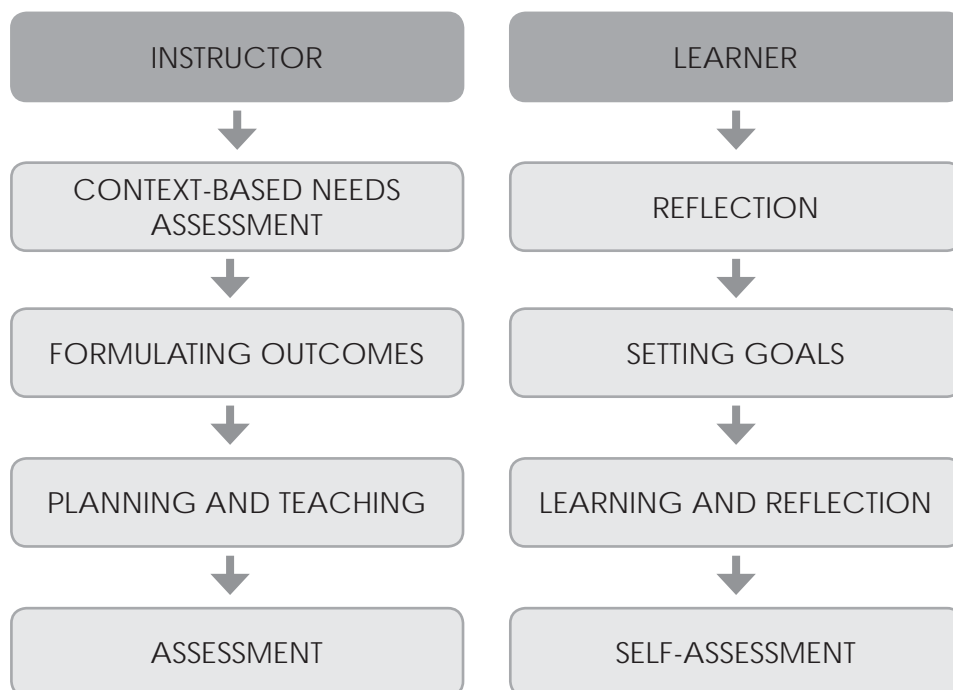
With the information gathered through needs assessments, instructors can plan a lesson or series of lessons. First, they need to formulate the learning outcomes for both language and financial literacy. The financial literacy outcomes are guided by the content and underlying skills, such as document use or numeracy; the language outcomes are guided by

the level-appropriate CLB competencies. The language and financial literacy outcomes should interrelate; for example, in order to achieve the financial literacy outcome *Understand costs, needs and wants*, learners need to *demonstrate comprehension of tables or diagrams such as budgeting tools* and *participate in a small group discussion to plan a student budget* (the language learning outcomes). Similarly, in order to demonstrate these language learning outcomes, learners need to have at least some understanding of costs, needs and wants. Instructors can also use the list of financial literacy competencies in this section to become familiar with the general competency areas of financial literacy before they formulate the contextualized outcomes.



Once the outcomes have been articulated, instructors can select the materials they will use to develop activities and tasks. Instructors can use authentic materials in different media such as brochures, forms, contracts and receipts, advertising, podcasts and YouTube videos as well as other online and print financial literacy resources. Through the language tasks and activities that may focus on vocabulary development, listening comprehension, reading skills, or grammar, learners learn the concepts and develop the underlying skills that lead to financial literacy.

Assessment of language learning can be done using the same tasks and activities; instructors can assess whether or not the language outcomes have been achieved. However, assessment of the financial literacy outcomes may not be possible in the classroom. These outcomes will be achieved outside the classroom and not always immediately. Therefore, it may be appropriate that the assessment of the financial literacy outcomes be done by learners. It is suggested that instructors provide sample tools for goal-setting, reflection and self-assessment.



USING *ENGLISH FOR FINANCIAL LITERACY* IN PLANNING AND TEACHING

The planning and teaching process

English for Financial Literacy is designed to assist instructors in incorporating financial literacy content into their program planning and teaching, and to provide support in learning about key topics and concepts related to financial matters. As the diagram below illustrates, instructors can use the resource at each stage of the planning and teaching process.

PLANNING PROCESS

USING *ENGLISH FOR FINANCIAL LITERACY*

NEEDS ASSESSMENT

- Instructor can use *Background Information* to get information about the topic and possible financial aspects.
- Instructor can review *Financial Literacy Competencies* in the *Instructor Guide* section to get a sense of possible outcomes.

FORMULATING OUTCOMES

- Instructor uses *Learning Outcomes* to formulate financial literacy outcomes and language learning outcome; she can select from the sample outcomes provided or draft her own, contextualizing and narrowing down financial literacy competencies.

PLANNING AND DEVELOPING ACTIVITIES

- Instructor uses *Background Information* to get detailed information about the topic.
- Instructor reviews *Key Language Elements* to select the ones to teach.
- Instructor reviews *Teaching Notes* and looks over the sample activity worksheets to plan a lesson; she can select activities and adapt them to the learners' needs or learning styles; she can also use them as a model to develop her own materials.

TEACHING AND ASSESSMENT

- Instructor reads *Teaching Notes* to get ideas for teaching the activities, follow-up activities, or *Beyond the classroom* tasks.

Exemplar

This exemplar illustrates how an instructor plans and teaches a series of lessons that integrate financial literacy and language skills.

Class profile: Cathy is an instructor in a LINC 3–4 class. The class of 18 learners is quite diverse in terms of ethnicity and socio-economic factors. There is a range of ages, from young adults to seniors, including single young newcomers, parents of young children, older parents of teenaged children, and a few seniors with grandchildren.

Needs analysis—selecting the topic: Cathy has conducted initial and ongoing needs assessments to gather information about the needs and interest of the group. *Education* has been identified as one theme that is highly important to the majority of learners in the class. Before planning the actual lessons for the theme, Cathy identifies and discusses possible topics to be included within the theme of *Education*. Learners want to know about the public school system in Ontario, about post-secondary education and training, and especially about financing post-secondary education for their children and themselves. They are curious to know the actual costs of tuition and other expenses for college and university programs in Canada. Cathy decides she will teach a series of lessons on the topic of costs associated with post-secondary education.

Formulating outcomes: For the topic she has chosen, Cathy identifies the financial literacy aspects: identifying possible expenses, average tuition, financial assistance options, saving for a child’s education and financial planning and budgeting. She reviews *English for Financial Literacy*, Volume 2 (CLB 3–5) and finds the topic *Financing Post-secondary Education*.

To start planning, she formulates the outcomes for both language and financial literacy. She looks at the table of financial literacy competencies in the introduction section of *English for Financial Literacy*. Under *Spending*, competencies for this theme could include, “*Distinguish between needs and wants*” and “*Use budget tools to plan spending*.” Under *Saving*, there are several possible competencies, such as “*Understand how various savings vehicles work*” and “*Formulate long-term and short-term financial goals*.”

Cathy sees an opportunity to use this topic to include activities on financial planning and budgeting. She understands the importance of these skills in developing financial literacy, but would not feel comfortable instructing her adult learners on how to plan their own finances. The theme of *Education* will provide a neutral context to explore the concepts and develop the necessary skills.

Next, she looks at the *Learning Outcomes* page for the topic *Financing Post-secondary Education* and identifies financial literacy outcomes and the language and numeracy outcomes for the activities and tasks in a series of lessons that focus on the costs of post-secondary education. She considers these sample outcomes:

Financial literacy outcomes

- Understand costs, needs and wants
- Recognize how a budgeting tool can facilitate making sound financial decisions
- Identify a budgeting/planning tool suitable for own purposes

Language and numeracy outcomes

- Participate in small group discussions in order to plan a student budget
- Follow a set of instructions to create a budget for a specific situation
- Demonstrate understanding of budgeting and calculating tools

Planning and developing activities: As Cathy is not familiar with current tuition fees or budgeting tools, she researches these topics. In *English for Financial Literacy*, she reviews the topic *Financing Post-secondary Education*, which includes background information about tuition fees and related expenses, government assistance programs and private student loans. She also looks at print and online resources for teaching financial literacy to learn about budgeting tools.

To find out how much learners know about these topics, she prepares some *true/false* statements based on the background information. She will use these statements later as a warm-up and needs assessment activity. To make learning and teaching more effective, she wants the learners to be involved in setting their goals and evaluating their own learning. She develops the self-assessment tool that the learners can use with this and other topics. For now, the learners complete the first column. To help learners at CLB 3, Cathy discusses and lists on the board some concepts and skills that relate to this topic: *budget, make a budget, set priorities, calculate totals*, etc.

I want to know about: _____	I've learned about: _____	I still need to know about: _____
I want to know how to: _____	I've learned how to: _____	I still need to know how to: _____
My goal is to: _____		
I will: _____		

Learners can also formulate their goals and make statements on the sheet provided.

Next, Cathy reviews the activity worksheets and selects two sets set of activities: *College is Expensive* and *A Student Budget*. The teaching notes for the activities say they are appropriate for CLB 4–5, so Cathy plans on adapting them for her LINC 3–4 class. Over the next two lessons, Cathy wants to introduce the concept of needs versus wants and budgeting in the context of the costs of post-secondary education, and then, later, transfer the skills the learners develop/practise to other contexts, too.

She uses some of the warm-up and vocabulary practice activities on budgets and collocations with the word “*budget*”; she simplifies the language in vocabulary activities to make it appropriate for CLB 3 learners. She uses the listening text and worksheets as is, but prepares an additional cloze activity based on the transcript in the teaching notes. She creates a grammar worksheet to review the future tense of the modals “*need to*” and “*have to*,” and makes questions and statements about income and expenses in a student’s budget. When discussing budget strategies, she goes beyond the context of post-secondary education and has learners discuss other budgeting scenarios. While learners work on creating budget sheets and performing calculations, Cathy notices that a few learners need support with working with dollar amounts and addition. She works with them individually, explaining the concepts and providing them with supplementary Numeracy Worksheets.

Teaching and assessment: After the lesson on student budgets, learners use the online activities from *English for Financial Literacy* for additional practice of both the language and financial literacy skills. The *Student Budget* activities under *Education*, CLB 3–5 provide practice with budget vocabulary, reading and listening comprehension. They also provide practice in using a budgeting tool and calculating income and expenses as well as balancing a budget. Learners also do the additional budgeting activities called *Making a Budget*, developed by Cathy. Finally, learners with adequate computer skills will search for online budgeting tools and locate one that they would like to use. While learners work independently, Cathy goes around the room and monitors learners’ performance of the listening comprehension task as part of formative assessment. At the end of this series of lessons, learners complete a self-assessment sheet by finishing the statements in columns two and three; Cathy also prompts them to think about their goals in terms of budgeting, and provides examples.

Useful Websites

BANKING AND PERSONAL FINANCE

Banks and Bank Services

Canadian Bankers Association: <http://www.cba.ca> > Home > Consumer Information>Banking Basics > Opening a Bank Account

- Provides information about accounts, fees and consumer rights

Financial Consumer Agency of Canada: <http://www.fcac-acfc.gc.ca>

- Home > Resources > For Consumers > Banking: Tip sheets on banking topics, including choosing the right account, low-cost accounts and cost of banking comparison tables
- Home>Resources > Tools and Calculators>Banking: Banking Package Selector Tool and Savings Account Selector Tool; quizzes on credit report and credit score, rights and responsibilities

Money Mentors: <http://www.moneymentors.ca> > Learning Centre > free budgeting workbook

- Workbook *Stretch Your Dollars - budgeting basics* includes information and tools for personal finance, including a checklist for choosing a bank account

Practical Money Skills for Life: <http://www.practicalmoneyskills.com> > Personal Finance > Saving and Spending > Banking

- Visa USA website for financial literacy that provides information about all aspects of personal finance, including choosing a bank and bank account, banking terms, games, tools and calculators

Settlement.org: <http://www.settlement.org> > Daily Life > Personal Finances>Banks

- Provides basic information about types of banks and bank accounts

Credit and Credit Cards

Financial Consumer Agency of Canada: <http://www.fcac-acfc.gc.ca> > Home > Resources > Tools and Calculators > Credit Cards Interactive Tools > Credit Card Selector Tool

- Credit card selector tool with current Canadian information
- Downloadable booklet *Understanding Your Credit Report and Your Credit Score:* http://publications.gc.ca/collections/collection_2009/acfc-fcac/FC5-8-25-2008E.pdf

Industry Canada: <http://www.ic.gc.ca> > Consumer Information > Office of Consumer Affairs (OCA) > More for Consumers > Take Charge of Your Debt

- Provides information about credit scores and credit reporting agencies in Canada, including instructions for requesting a free credit report and a sample credit report with explanations

Personal Finance

Money Mentors: www.moneymentors.ca > Learning Centre

- Many tools, financial calculators, financial and consumer tips sheets and a free downloadable budget workbook.

ABC Life Literacy Canada: <http://abclifeliteracy.ca> > Literacy in your life > Financial Literacy > Money Matters

- *Money Matters* is a national financial literacy program to help adults learn the basics of money management.

Taxes

Canada Revenue Agency: <http://www.cra-arc.gc.ca> > Home > About the CRA > Understanding Taxes and Benefits

- Basic information about Canada's taxation system > Home > Individuals > Learning about taxes
- Online self-study course teaches how to file a basic tax return

Settlement.org: <http://www.settlement.org> > Daily Life > Personal Finances > Taxes

- Provides basic information about the tax system in Canada, paying income tax and filing a tax return, and applying for benefits and tax credits

CONSUMER MATTERS

General Information for Consumers

Ontario Ministry of Consumer Services: <http://www.sse.gov.on.ca/mcs/en/Pages/default.aspx> <http://www.sse.gov.on.ca/mcs/Documents/275071.pdf>

- Includes booklet *Consumer Protection Survival Guide* with sample letters of cancellation

Ontario Ministry of Consumer Services: <http://www.sse.gov.on.ca/mcs/en/Pages/default.aspx>

- Includes a video tips series *Know Your Rights* on topics such as booking travel, gift cards, saving money, buying big-ticket items, buying a new car, payday loans

Canadian Marketing Association : <http://www.the-cma.org> > For Consumers > Consumer FAQs

- Practical shopping tips for consumers, tips for online shopping, and other consumer information including the *Do Not Contact* registry.

Calculator Soup: <http://www.calculatorsoup.com> > Calculators > Financial > Sales > Sale Price Calculator

- Calculates final sale price for discounts advertised in percent or fraction

Consumer Contracts

Financial Consumer Agency of Canada: <http://www.fcac-acfc.gc.ca> > Home > Resources > Publications > Your Rights and Responsibilities > Tip Sheets > Before You Sign Any Contract

- Tip sheet of ten important things to do or consider before signing a contract

Fraud

Ottawa Community Loan Fund: <http://www.oclf.org> > Connect With Us > Financial Literacy > Newcomer Finances Toolkit

- Fraud and identity theft worksheets for ESL learners from the *Newcomer Finances Toolkit*

Canadian Consumer Information Gateway: <http://consumerinformation.ca>

- This website has several financial tools (e.g., *Build your Buying Skills*) and calculators (e.g., *My Expenses*; *Rent or Buy a Home*)

Canada Revenue Agency: <http://www.cra-arc.gc.ca/ntcs/nln-rfnd-eng.html> > Your Security > Beware of Fraudulent Communications

- Samples of fraudulent emails currently circulating

Canadian Anti-fraud Centre/ Fraudbusters: <http://www.antifraudcentre.ca>

- Up-to-date information about current Canadian and international scams; top scams and statistics; statistics, tips for recognizing, preventing and reporting fraud and identity theft

Competition Bureau: <http://www.competitionbureau.gc.ca> > Home > Publications > Tools for Consumers and Businesses > Pamphlets

- Pamphlets on fraud-related topics, including *Is someone giving you a generous gift? Think again!*, *Looking for work? Beware of deceitful employers!*, *Rebates: The Real Deal**, *Deceptive Prize Notices*, *Promotional Contests*, *What You Should Know About Telemarketing*

Insurance

Financial Services Commission of Ontario: <http://www.fsco.gov.on.ca/en> : > Home > Automobile Insurance > Brochures > Brochure: Understanding Automobile Insurance

- Brochure about understanding automobile insurance

Financial Services Commission of Ontario: <http://www.fsco.gov.on.ca> > Home > Automobile Insurance > Understanding Rates/An Interactive Tool

- interactive rate comparison tool

Get Smarter About Money: <http://www.getsmarteraboutmoney.ca> > Home > Managing your money > Investing > Personal insurance > Video-How to save money on home insurance

- Part of a video series on managing money, including investments, budgets

Total ESL: <http://www.totalesl.com/uploads/lesson/f/123275862069794.pdf>

- Insurance lesson plan for adult ESL learners

Ottawa Community Loan Fund: <http://www.oclf.org> > Connect With Us > Financial Literacy: *Newcomer Finances Toolkit*

- Insurance worksheets for ESL learners from the *Newcomer Finances Toolkit* published by the Ottawa Community Loan Fund

EL Civics for ESL Learners: <http://www.elcivics.com> > Lifeskills Lessons > Car insurance

- Picture stories and activities about car insurance for adult ESL learners

EDUCATION

Retraining and Skills Upgrading

Human Resources and Skills Development Canada: <http://www.hrsdc.gc.ca> > Jobs and Training

- Information about financial assistance available under the Skills Development Employment Benefit

Ontario Ministry of Training, Colleges and Universities: <http://www.tcu.gov.on.ca>

- Information about retraining programs and financial assistance, go to Second Careers

Ontario Ministry of Citizenship and Immigration: <http://www.citizenship.gov.on.ca> > Welcome to Ontario > Ontario Bridge Training Program

- Information about programs, educational institutions and financial assistance

Ontario Women's Directorate: <http://www.citizenship.gov.on.ca/owd/english/> > Helping Women Achieve Financial Independence > OWD funded training programs

- Information about microlending and training programs for women

Apprenticeship Programs

Service Canada: <http://www.servicecanada.gc.ca> > Education and Training > Apprenticeship Grants

- Information about apprenticeship grants

Saving for Postsecondary Education RESPs

CanLearn: <http://www.canlearn.ca/eng/saving/index.shtml>

- Government of Canada portal provides information on a wide range of topics related to financing post-secondary education in Canada; background information on RESPs, student loans, grants and scholarships, the average cost of post-secondary education; tools, such as search tools, planner and calculators, including parental contribution and loan estimators

Smart RESPs: <http://www.smartresps.com>

- Heritage Funds website provides information about different types of RESPs and has easy-to-use calculators

Moneyville: <http://www.moneyville.ca> > Budgeting > Education Planning > Comparing Education Savings Options

- Article with a comparison of education savings vehicles

Average tuition costs in Canada

Statistics Canada: <http://www.statcan.ca> > Browse by... Key Resource > Summary Tables > Subject (on the left sidebar) > Education, Training and Learning

- Table showing the increase over time of undergraduate tuition fees for full time Canadian students, by discipline, by province

Simon Fraser University Students Services: <http://students.sfu.ca/financialaid/costs.html>

Fanshawe College: <http://www.fanshawec.ca/EN/financial/financial/31806/35035/sample.asp>

Online calculators:

Smart RESP: <http://www.smartresps.com>

- Easy-to-use RESP calculator

MoneySense: http://tools.moneysense.ca/calc/univ_cost/

- University Cost Calculator; RESP Calculator

CanLearn: <http://tools.canlearn.ca/cs/lgs-scpse/cln-cln/40/fp-pf/fp-pf.obp.do>

BMO: <http://www4.bmo.com> > Bank Accounts > Students & Recent Graduates > Tools & Resources > BMO Student Budget Calculator

Budgeting Tools for Students

Industry Canada: <http://www.ic.gc.ca> > For Consumers > Home > Resources > Publications > Budgeting and Money Management > Making a Budget and Sticking to It

- Information and instructions for making a budget, including a blank student budget template in PDF format.

University of Toronto Student Financial Aid: <http://www.utoronto.ca> > Admissions > Awards and Financial Aid > Budget Tool

- How-to-budget information and blank budget template

EMPLOYMENT

Financial Consumer Agency of Canada: <http://www.fcac-acfc.gc.ca> > For Consumers > Choose a Life Event > Starting your First Job > Payroll Deductions: Where Does It All Go?

- Explains standard payroll deductions such as income tax, EI, CPP and QPP, as well as deductions for employee benefits

Canada Business Ontario: <http://www.cbo-eco.ca> > Home > Business Guides>Business Start-Up Guide

- Provides information and tools for starting a business

Ontario Ministry of Labour: <https://www.labour.gov.on.ca>

- Provides information on hours of work, minimum wages and deductions from wages

HOUSING

Renting a Home

Practical Money Skills: <http://practicalmoneyskills.ca> > personalfinance > lifeevents>renting

- explains important elements of a lease document

Settlement.org : <http://settlement.org>

- Provides information on many housing topics including renting, buying, subsidized housing and housing for seniors in Ontario

Tools

Interactive map with rental prices in Ontario: <http://www.settlement.org> > Housing > Living in Ontario >Cost of Living in Ontario

Buying a Home

Canada Mortgage & Housing Corporation: <http://www.cmhc-schl.gc.ca>

- Government of Canada's national housing agency; includes all topics related to renting and owning a home; features a video series, glossary, worksheets, calculators and a *Newcomers Guide to Housing*; information available in several languages

Canada Revenue Agency: <http://www.cra-arc.gc.ca> > Individuals > Registered savings plans>Home Buyers' Plan

- Provides detailed information about the Home Buyers' Plan, as well as downloadable forms

Practical Money Skills: <http://practicalmoneyskills.ca> > Personal Finance > Life Events > Buying a Home

- Discusses the advantages and disadvantages of home ownership, and outlines the steps to home ownership, including qualifying for a mortgage, types of mortgages, closing, and building home equity

The Canadian Real Estate Association: <http://mls.ca/splash.aspx>

- Updated news about the current real estate market, buyer & seller information, as well as MLS listings with a property comparison tool and mortgage calculator

The Canadian Real Estate Association: <http://www.crea.ca> > Resources > Publications >

- Home Buying Roadmap explains the process of buying a home

Service Canada: <http://www.servicecanada.gc.ca>

- Many housing topics, including government programs, with links to other websites

Settlement.org : <http://settlement.org>

- Provides information on many housing topics including renting, buying, subsidized housing and housing for seniors in Ontario

Tools and Calculators

Mortgage calculator: <http://www.cmhc-schl.gc.ca> >Buying a Home >Easy-to-use home buying tools > Mortgage Payment Calculator

FINANCIAL LITERACY CLASSROOM RESOURCES

Canadian Centre for Financial Literacy: <http://www.theccfl.ca/Resources/CCFL-Activities---Worksheets.aspx>

- Handouts and worksheets on a variety of financial topics from the *CCFL Community Facilitator Training Toolbox*

Financial Literacy Lessons for ESL Students:

http://www.otan.us/images/publicarchive/ArchivesDigitalFiles/ELCivics/Financial_Lit/003370coverpage.pdf

- Learner worksheets cover basic banking, credit and financial planning for the future

Get Smarter About Money: <http://getsmarteraboutmoney.ca> > Education Programs > For Educators

- Includes a variety of resources and tools, including lesson plans, games and multimedia resources intended for elementary and high school students but may be appropriate for adult learners

Practical Money Skills: <http://practicalmoneyskills.ca> > resources > freematerials > classroom

- *Choices & Decisions* is a financial literacy course for educators and provides free lesson plans, in-class activities, and games hopes to support financial literacy

Smart Shopping: <http://www.nald.ca/library/learning/qlwg/unit7/unit7.pdf>

- Workbook published by the Quebec Literacy Working Group as part of GLWG *Skills for Life* series. Includes worksheets on topics such as comparison shopping, the language of advertising, distinguishing needs from wants.

ESL Financial Literacy Toolbox: <http://www.esl-literacy.com/flt/>

- An online financial literacy teacher resource, includes downloadable lesson plans and worksheets organized thematically as well as listings of related resources; units include banking, budgeting, shopping, goal setting, work and other.

Glossary

BANKING AND PERSONAL FINANCE

Banks and Bank Services

account—an arrangement at a financial institution for depositing, withdrawing, borrowing or investing money

account statement—a record of transactions in an account at a financial institution, often provided each month

automated teller machine (ATM)—a machine that lets you make banking transactions by inserting an electronic card; also called an automated banking machine (ABM)

available balance—the amount of money in your account that you can use or withdraw; it may not include all recent transactions (e.g., cheques you have written that have not yet been paid from your account)

bank—a federally regulated financial institution that takes deposits, lends money and provides other financial services

banking fees—fees charged to customers for banking services

Bank of Canada—Canada's central bank; responsible for Canadian monetary policy, issuing bank notes, regulating and supporting the main systems for clearing and settling payments, and acting as fiscal agent for federal government debt; monitors the Canadian dollar and raises or lowers the primary lending rate (the bank rate) in order to regulate the money supply; it is not a chartered bank and does not offer direct services to the general public

Bank of Canada rate—(also called the **prime** or **the bank rate**), announced a few times a year by the Bank of Canada as a guideline for chartered banks to raise or lower their interest rates to customers

credit union/caisse populaire—a non-profit, member-owned financial institution that provides financial services for members, including savings and lending; members must ordinarily belong to a participating organization; a person deposits money in a credit union, and becomes a member of the union because the deposit is considered partial ownership in the credit union; a *caisse populaire* is a financial institution typically seen in Quebec that is similar to a credit union

Canada Deposit Insurance Corporation (CDIC)—a federal government corporation that provides insurance to protect money deposited in Canadian banks and financial institutions

chartered bank—a financial institution that has received the right to operate (a *charter*) from the federal government

cheque—a written order to a bank, credit union or trust company to pay a specified sum of money from the depositor's account to the person or business named on the cheque

chequing account—an account at a bank, credit union or trust company that allows the account holder to write cheques

combination account—an account that is part savings and part chequing; the account holder may write cheques and be paid interest on money in the account

credit check—when a bank or someone else looks at your credit history to decide whether or not to lend you money

credit history—information sent to a credit-reporting agency by a bank, credit card company, or any other business that gives credit; may include information about you, how long it typically takes you to pay back money you have borrowed, and whether or not you make your payments on time; lenders typically check a loan applicant's credit history with a credit-reporting agency before approving a loan

credit rating—a rating that summarizes your financial reputation and credit history; used by financial institutions to decide whether or not to lend you money or provide credit as well as to determine the amount you may borrow

credit-reporting agency—in Canada, two companies collect information and provide credit reports: Equifax and TransUnion

credit score—a numerical summary of the information contained in a credit report, typically ranging from 300 to 900 (a high credit score is best); an indicator of how well you are likely to manage credit in the future

debit card—a card that lets you pay for purchases by transferring money electronically from your bank account to the retailer

debt—money that you owe for loans or credit

deposit—money put into an account at a financial institution, such as a bank, credit union or trust company; a deposit may be in the form of cash, cheque or electronic transaction

deposit insurance—an insurance plan (see *Canada Deposit Insurance Corporation*) designed to protect the money you deposit if a bank, credit union or trust company fails

electronic funds transfer (EFT)—a system for transferring money electronically between accounts at financial institutions

financial institution—a bank, trust company, credit union or other institution that offers financial services such as savings and chequing accounts, loans, credit cards and investments

joint account—a bank account that is shared by two or more people who equally share rights and responsibilities of the account

lender—an institution or person who lends money to people or companies; the lender sets the interest rate and the terms of the loan

line of credit—a type of pre-approved loan that allows you to borrow money when you need it, up to a pre-set maximum amount

loan—money that you have borrowed, which you must repay on a specified schedule at an agreed-upon rate of interest

minimum monthly balance—the least amount of money that has been in a bank account during the whole month

interest—a fee you pay on borrowed capital

mortgage—a loan (usually for buying a home) in which the lender can take possession of the property if the loan is not repaid on time

N.S.F. cheque—a cheque written on an account in which there is not enough money to cover the amount of the cheque; a fee, called an NSF charge, is charged to the account holder when this happens

overdraft—a shortfall in a bank account caused by taking out more money than you had in the account; many banks will allow good customers to make overdrafts for a short time, but will charge fees and interest for the service

overdraft protection—a bank service that allows you to overdraw an account up to a specified amount (overdraft limit); in effect, a temporary loan for which interest is usually charged on the amount that the account is overdrawn

principal—the amount borrowed; interest is calculated on the principal

personal identification number (PIN)—a secret code intended for the sole use of its user; used with a debit card to confirm the cardholder's identity and to authorize debit card transactions

post-dated cheque—a cheque on which a future date is written; a post-dated cheque cannot be negotiated (cash) before this date

prime rate/prime lending rate—rate of interest charged on loans by banks to their most creditworthy customers

savings—money put aside in an account to accumulate as a reserve for future needs

savings account—an account with a bank, trust company or credit union that pays interest on the money you deposit

Tax Free Savings Account (TFSA)—an account that provides tax benefits for savings accounts in Canada; account holder may withdraw money at any time, tax-free

transaction—an activity involving a bank account (e.g., withdrawal, deposit, transfer, direct payment purchases)

withdraw—to take money out of an account

withdrawal—money you take out of an account

Credit and Credit Cards

annual fee—a fee that is applied each year for the use of a credit card; typically paid in exchange for additional rewards or benefits; many credit cards do not charge an annual fee

annual interest rate—the annual interest rate charged on transactions when you don't pay your balance in full; credit card issuers can charge different interest rates for different types of transactions, such as balance transfers, cash advances and purchases

bankruptcy—a legal method of absolving debt and a form of financial protection available to individuals and businesses; you can only file bankruptcy in Canada if you are insolvent; to be considered insolvent, you must be unable to pay your debts as they become due

balance transfer—the transfer of an outstanding credit card balance from one card to another card, often from a higher interest card to a lower interest card; interest is usually charged from the day the amount is transferred to the new card (no interest-free period)

cash advance—cash obtained from an ABM or at a teller, charged to a credit card; it is a loan, and the amount you borrow may be subject to daily limits; there is no interest-free period, so interest is charged from the date the funds are withdrawn until the date this amount is repaid in full

collateral—something of value, such as an asset or property, that you pledge when getting a loan; if you do not repay the loan as agreed, the lender can take and sell your collateral

credit—the ability to borrow money or charge purchases to an account before paying for an item or service; the amount you can borrow or charge

credit capacity—the amount of money that a person or organization can borrow and be expected to repay

credit card—a card issued by a financial institution that lets you buy things “on credit”; the financial institution pays the seller and you repay the financial institution later

credit card slip—a receipt for a credit card transaction, usually signed by the cardholder

creditor—a person or organization that extends credit to others; a person or organization to which money is owed

interest-free grace period—a number of days during which no interest is charged on the transaction; all federally regulated financial institutions that issue credit cards must provide a minimum 21-day interest-free grace period on all new credit card purchases, as long as the balance is paid in full by the credit card statement's due date

minimum payment—the least amount your credit card issuer requires you to pay on the outstanding credit card balance

reward program—incentives and benefits to attract consumers and encourage them to use their credit card in lieu of other forms of payment; common rewards include points that can be redeemed towards travel, merchandise, or gift cards, and cash-back rewards

secured credit card—a card that requires you to pay the issuer a security deposit before you can use it; the credit limit is normally set as a percentage of the deposit (usually 100 percent or more)

Taxes

Canada Revenue Agency (CRA)—the federal government agency that collects taxes and administers Canada's tax laws

Canada Child Tax Benefit (CCTB)—a tax-free monthly payment to eligible Canadian families to help them with the cost of raising children

EFILE—a service that lets authorized service providers send individual income tax return information to the Canada Revenue Agency over the Internet

GST (Goods and Services Tax)—a federal sales tax paid by consumers on most goods and services that they purchase; the GST is 5%

HST (Harmonized Sales Tax)—combined federal and provincial sales tax paid by consumers on many goods and services, with the exception of basic food and some other items; in Ontario, HST is 13 percent (5 percent federal GST and 8 percent provincial sales tax)

excise taxes—taxes imposed by both the federal and provincial governments on alcohol, tobacco, gasoline and vehicle air conditioning

income—money you receive from work, gifts, business, investments, etc.

income tax—a percentage of the income you earn each year that must be paid to the federal and provincial governments for government services; Canada's personal income tax system is progressive, which means individuals with higher incomes pay a greater percentage of their incomes in taxes

land transfer tax—provincial tax derived from the sale and transfers of property

NETFILE—Canada Revenue Agency's electronic income tax filing system; it enables an individual to file a personal income tax return using the Internet and income tax software

PST (Provincial Sales Tax)—sales tax levied by all provinces except Alberta; tax rates vary from province to province: some provinces harmonize it with GST (see HST) while others apply it to the sum of price and GST

property tax—tax derived from residential, commercial and industrial properties; it is levied on the value of property (land and buildings) annually by municipal governments

TD1 (Personal Tax Credits Return)—the form on which you report your income to the Canada Revenue Agency and calculate the amount of taxes you owe or any tax refund that is owed to you

T4—the form on which an employer reports your earnings and deductions so you can include them in your income tax report

T5—the form on which a financial institution reports your earnings from investments so you can include them in your income tax report

tax credit—an amount you can deduct from the tax you owe

tax deduction—an amount you are allowed to subtract from your income before calculating the income tax you owe

tax shelter—an investment or other financial arrangement that allows you to shelter some of your earnings from tax for a period of time

taxable income—the part of your income you have to pay taxes on

Retirement

pension—an annual income paid to an employee, usually after retirement; payments are based on the employee's age at retirement, final salary, and number of years on the job

pension plan—a qualified retirement plan set up by a corporation, labor union, government, or other organization for its employees

Canada Pension Plan (CPP)—the Canadian government system into which you pay a percentage of your earnings to a fund that provides income when you retire

Guaranteed Income Supplement (GIS)—additional payments on top of the Old Age Security pension for low-income seniors living in Canada

Old Age Security (OAS)—a monthly payment to those 65 years old or older who meet the residence requirements

Registered Retirement Savings Plan (RRSP)—a type of savings plan registered with the government that allows you to reduce the income tax you pay on money you save within the plan for retirement

Registered Retirement Income Fund (RRIF)—income fund established by a financial institution to provide retirement income to an individual; set up by directly transferring money from registered retirement savings plans or registered pension plans; the RRIF holder must withdraw a set portion of the money in the fund annually and pay tax on it

Personal Finance

balanced budget—a budget in which income and expenses are equal

budget—a plan (monthly or yearly) for spending and saving based on your income and expenses

expenses—outflow of money to another person or group to pay for an item or service

fixed expenses—expenses that do not depend on consumption or change from time period to time period, such as rent or mortgage payments, childcare expenses, tuition, etc.

financial plan—a written plan that identifies your financial goals and recommends specific actions to take to achieve them

income—the amount received from all sources, including wages, salaries, profits, interest payments, rent and other forms of earnings

want—something you desire but do not need

CONSUMER MATTERS

Shopping and sales

Consumer Protection Act (Ontario)—consumer protection legislation that governs most common consumer transactions in Ontario

contract—a legally binding oral or written agreement enforceable in a court of law; a valid contract must have an offer with specific terms, an acceptance of that offer, and consideration, or an exchange, such as a payment; by signing a contract, a consumer is bound by its terms, as long as the terms themselves do not violate the criminal code

deferred payment programs—“buy now, pay later” programs offered by retailers to qualified customers; often interest-free if payment is made in full by the agreed-upon date; customers may be charged administrative fees and other costs for using the program

layaway plan—program offered by some retailers that allows customers to reserve merchandise and then make payments until the full cost is paid; the customer receives the merchandise only when paid for in full

terms and conditions—general and special arrangements, provisions, requirements, rules, specifications and standards that form an integral part of an agreement or contract

breach of contract—failure to perform any term of a contract without a legitimate legal reason; may include not completing a job, not paying in full or on time, or failure to deliver all the goods

Insurance

adjuster—insurance company employee who assesses loss or damage when a claim is made

beneficiary—someone who receives the benefits of an insurance contract; can refer to a person who receives the insurance proceeds from a life insurance policy or annuity as well as someone who receives benefits from a health insurance policy, such as payments for a health care service

claim—a formal request to an insurance company requesting payment based on the terms of the insurance policy; claims are reviewed by the insurance company for their validity before they are paid out

collision coverage—an optional type of automobile insurance coverage that pays for the cost of repairing the insured vehicle if it is damaged in a collision

comprehensive coverage—an insurance policy that pays for damage or loss of a vehicle from a wide range of risks, such as fire and theft

coverage—the specific types of losses covered by an insurance policy and the limits on the claims that may be made

deductible—amount of your claim you agree to pay before the insurance company pays the rest

insurance agent—a person representing one insurance company and selling its insurance products

insurance broker—a person or company who sells insurance products of various companies

insurance claimant—a person or party requesting payment of benefits under the terms of an insurance policy

insurance company—a financial institution (either federally or provincially regulated) in the business of insuring risks; insurance companies generally fall into two categories: life and health insurers, and property and casualty insurers

insurance policy—a written document that serves as evidence of insurance coverage and contains pertinent information about the benefits, coverage and owner, as well as its associated obligations

insured—the person whose property or life is insured

insurer—the insurance company

liability insurance—insurance that provides protection from claims arising from injury or damage to other people or property

life insurance—an insurance policy that pays a set amount to those named in the policy (the beneficiaries) when the policy holder dies

premium—the amount you pay (usually monthly or annually) for an insurance policy

replacement value—the cost of replacing an insured item at its current price, even if that price is higher than what you originally paid for it

Fraud

phishing—usually a two-part scam involving email and spoof websites; fraudsters send email to a wide audience that appears to come from a reputable company requesting personal information account numbers; this is known as a phish email

identity theft—occurs when someone steals your personal information and uses it to pretend to be you, for example by buying things for themselves on your credit card

investment scam—criminal fraud or “con” game in which there is an attempt to swindle money by gaining a person’s confidence

scam—a fraudulent or unethical activity; a fraud, theft or trick

EDUCATION

Financing job training

Apprenticeship Incentive Grant—a taxable cash grant offered by the Government of Canada; eligible apprentices could receive up to \$4,000 to pay for tuition, travel, tools or other expenses

Financing post-secondary education

bursary—a type of financial award provided by a school to certain students to assist with the costs associated with attending a college or university; usually provided to students based on financial need and/or academic performance

Canada Education Savings Grant—a program introduced by the federal government whereby it will invest, in the form of grants, together with parents who save for their children's education through RESPs; the government will top up contributions made to an RESP by 20 percent to a yearly maximum of \$400 per beneficiary

Canada Education Savings Grant (Basic)—money given to you by the Government of Canada and put into your Registered Education Savings Plan (RESP) based upon your contributions to the plan

Canada Education Savings Grant (Additional)—extra money given to you by the Government of Canada and put into your Registered Education Savings Plan (RESP) based upon your contributions to the plan; available to those with low family incomes

Canada Learning Bond—money given to you by the Government of Canada for your RESP if you are a family with limited income

Canada Student Loans Program—federal government program that provides loans to eligible post-secondary students; provincial and territorial student financial assistance programs may be integrated with the federal program (as in Ontario) or may operate in tandem with the federal program

student grant—financial award provided to students based on need through government student financial assistance programs, schools or private organizations; a grant does not need to be repaid

scholarship—financial award provided by a school or private organization to students based on merit

OSAP (Ontario Student Assistance Program)—a student financial assistance program that provides loans and grants to eligible post-secondary students; in Ontario, the federal and provincial program are integrated

RESP (Registered Education Savings Plan)—a savings plan registered with the federal government to help families save for their children's post-secondary education; the government contributes additional money to eligible families through the Canada Education Savings Grant and the Canada Learning Bond

EMPLOYMENT

gross pay—the amount of salary or wages paid to a worker before any deductions, such as taxes, are made

net pay—the amount of salary or wages paid to a worker after taxes and other deductions are taken off

net personal income—the money you receive after taxes and other deductions are taken off your paycheque

overtime pay—time worked in excess of the standard hours specified by law; for most employees, overtime begins after they have worked 44 hours in a work week; they must receive overtime pay at the rate of one and one-half (1.5) times the regular rate of pay or, if they agree in writing, time off in lieu of overtime pay

payroll deductions—amount of your salary deducted by an employer to pay for things like income tax, Canada Pension Plan, Employment Insurance, and possibly other taxable benefits (such as life insurance, medical plan, dental plan or private pension plan)

pay statement (also called **statement of earnings or pay stub**)—a slip of paper included with your pay that records how much money you have earned and how much tax or insurance etc. has been deducted from it

entrepreneur—the owner or manager of a business enterprise who, by risk and initiative, attempts to make profits

freelance employee—a freelancer (or freelance worker) is a self-employed person working in a profession or trade in which full-time employment is also common

HOUSING

amortization period—the period of time it will take to pay off a mortgage in full; the most common amortization period for a new mortgage is 25 years

closed mortgage—a mortgage agreement that cannot be prepaid or changed before the end of the term. Your lender may let you make certain prepayments without penalty, but you will usually have to pay a penalty to break your mortgage agreement

closing costs—costs in addition to the purchase price of the home, such as appraisal fees, legal fees or prepaid property taxes; these costs must be paid before you take possession of your home; they range from 1.5 to 4 percent of a home's selling price

down payment—the amount of money you deposit when you first buy your home; must be at least 5 percent of the purchase price, but can be more; amount of the down payment determines how much you need as a mortgage loan, and whether or not you will have to pay mortgage default insurance, which is required if you have a down payment of less than 20 percent of the purchase price

fixed interest rate mortgage—mortgage loan where the interest rate and payment amount do not change for a specific term

gross debt service (GDS) ratio—the percentage of your income before deductions (gross income) required to cover costs associated with a home, such as mortgage payments, property taxes and heating; as a general rule of thumb, GDS ratio should not exceed 32 percent of gross income

high ratio mortgage—a mortgage for more than 80 percent of the purchase price of a home; mortgage default insurance is required for a high ratio mortgage

Home Buyers' Plan (HBP)—a federal government program that allows first-time homebuyers to withdraw money from their Registered Retirement Savings Plans (RRSPs) tax-free to make their down payment or pay for other closing costs

mortgage—a loan (usually for buying a home) in which the lender can take possession of the property if the loan is not repaid on time; payments include the principal and interest, and may also include a portion of the property taxes

mortgage broker—an independent contractor who offers the loan products of different lenders; acts as agent for banks, trust companies, credit unions, mortgage corporations, finance companies and individual private investors; some lend only their own money and provide a direct source of mortgage funds

mortgage default insurance—protects lenders against mortgage default and enables consumers to purchase homes with little or no down payment

open mortgage—a mortgage that can be repaid at any time during the term, without penalty; the interest rate may be higher than on a closed mortgage with an equivalent term

term—the period of time your mortgage agreement will be in effect; at the end of the term, you either pay off the mortgage in full, renew it, or possibly renegotiate your mortgage agreement (for example, decrease your amortization period); terms are generally for six months to 10 years

variable interest rate mortgage—a mortgage with an interest rate that can vary during the term; the interest rate varies in line with changes in market interest rates; the mortgage payments can be fixed, or they could change with interest rates, depending on the terms of the mortgage



Banking and Credit



The activities in this section explore the topic of banking services, credit types, credit history and related concepts. The activities present basic information on various bank accounts and transactions, forms of credit, what good and bad credit is, and how credit cards work.

The *Banking and Credit* section includes three sets of activities:

Bank Accounts

Bank Statement

Credit

You can select activities to teach based on the needs and interest of the learners in your class. The activities can be used individually and do not need to be used in the sequence in which they are presented. You may also add your own activities where appropriate. Suggestions and ideas for extending or complementing the specific activities are included in the teaching notes.

You can complement the activities in this section with online activities at *English for Financial Literacy > Online Activities*.

The activities in this section relate to the following theme in *LINC 1–5 Curriculum Guidelines*:

- **Banking, Customer Service and Telephone**

Learning Outcomes

The sample learning outcomes below can help you plan a lesson or series of lessons about banking and credit. The outcomes are intended to guide you in defining areas of content and contexts for the language instruction. The financial literacy outcomes can help you determine the aspects of financial literacy to include in your instruction in order to facilitate learners' understanding, knowledge and competence. The language outcomes can guide you in selecting/designing language activities at CLB 3-5 that support financial literacy.

The activities included in this section are intended to support the outcomes below.

Sample Financial Literacy Outcomes	Sample Language and Numeracy Outcomes
<p>Understanding and knowledge</p> <ul style="list-style-type: none"> • Understand terms used in bank statements and account plan descriptions • Understand services offered by banks • Understand vocabulary and concepts related to credit cards • Understand how credit cards work • Identify advantages and disadvantages of using credit • Understand how own financial decisions and different types of credit used affect credit history • Recognize own responsibility when using credit <p>Application</p> <ul style="list-style-type: none"> • Compare different bank accounts and services offered • Select a bank account suitable for own needs • Enquire about information on a bank statement • Identify and select specific type of credit suitable for own needs • Evaluate consequences of using different forms of credit • Identify strategies to build own credit history 	<ul style="list-style-type: none"> • Demonstrate comprehension of the gist, specific details and some implied meanings in a dialogue about bank accounts and services • Complete a point-form summary of banking information • Demonstrate comprehension of specific details in a bank statement • Ask for and provide information about bank services and own banking routines and needs • Identify main ideas, specific details and implied meanings in a text about credit history • Discuss personal preferences in using credit

When planning a lesson or series of lessons, you can use the listed outcomes as they are, or develop your own based on the needs and interests of the learners in your class. For ideas and strategies for conducting a needs assessment, see the *Instructor Guide*.

Background Information and Key Language Elements

You can use the background information about banking and credit to familiarize yourself with the key terms, concepts and processes involved in banking and credit that are presented in the learner activities in this section. For sources of more information on these topics or related classroom resources, please see the *Useful Websites* section.

The sidebar below lists major language elements that you may want to introduce or review to support the thematic content of the activities.

Selecting a Bank and a Bank Account

One of the first things newcomers do when they arrive in Canada is open a bank account. Identifying the services they will need and comparing the services (and fees) offered by various financial institutions in their area may be confusing or frustrating. Learners may find it helpful to use a tool (such as the checklist provided in the activity *Selecting a Bank Account*) to analyze their banking habits and needs. Learners will also need to learn the terms used by various banks for the services, accounts and plans they offer, as well as common abbreviations used in bank statements. Some learners may even need to learn about basic banking practices, procedures and fees. Personal banking options, such as Internet or mobile banking, may also be unfamiliar, and learners may want to learn about the security features and potential risks associated with them.

Credit and Credit History

For most Canadians, credit is an accepted fact of life. It's difficult to imagine life without credit—we use credit cards, get mortgages, finance cars and take out student loans. However, we may not stop to think about exactly how different forms of credit work and how much we pay for the convenience of buying now and paying later. Newcomers will likely notice advertising for products such as credit cards specifically designed for recent immigrants. Some newcomers may be uncomfortable or unfamiliar with the concept of credit, or with different forms of credit and how they may best be used. It is very important that newcomers are able to identify the advantages and disadvantages of credit in order to make informed decisions.

Credit Cards

Credit cards may be seen by some newcomers as status symbols. Others may regard them as necessary evils. Whatever the perception may be, the choice of a particular credit card must be considered carefully. Learners need to understand how credit cards work in general, as well as the terms and conditions for specific cards. Credit cards are financial products, and consumers need to do their homework by researching and comparing the features of different credit cards before making decisions.

For those unfamiliar with using credit cards, it may be useful to learn how interest charges are calculated. When the balance is paid in full and on time, credit cards work like interest-free loans. Taking advantage of interest-free credit makes good financial sense. However, carrying a balance on a credit card may cost much more than a consumer realizes, because of the way in which interest is calculated. It may also be instructive to compare the price of a purchase with the final cost when only the minimum monthly payments are made. Credit card debt is a growing problem in Canada, and newcomers need to be aware of the pitfalls of having and using credit in order to avoid future financial problems. Security is also a serious concern; credit card holders need to take appropriate steps to safeguard and protect all credit cards.

Key vocabulary

bank
credit card
debit card
bank teller
ABM (Cdn.)
ATM (US)
bank machine
cheque
safety deposit box
online banking
mobile banking
savings account
chequing account
lender
borrower
direct deposit
in-branch
passbook
bank draft
cash back
postdated cheque
mobile banking
overdraft protection
purchase at merchant

Verbs and verb collocations

to withdraw
to deposit
to make a deposit
to make a withdrawal
to transfer
to pay back
to repay debt
to pay off mortgage
to make payments

Possible grammar structures

wh-questions
modal verbs of necessity
complex sentences for cause and reason

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with the key vocabulary and concepts related to banking needs, bank account plans and bank transactions. The activities provide practice in vocabulary use, reading, listening and speaking, and are generally appropriate for learners at CLB 3 to 5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Evaluate a bank account plan based on their own personal banking habits and needs
- Be aware of features and fees associated with bank account plans

Corresponding CLB competencies

- 🔗 CLB 4 Understand short communication intended to influence or persuade others in familiar, everyday situations (CLB 4); understand the gist and some details in moderately complex communication intended to influence or persuade in everyday, personally relevant situations (CLB 5).
- 🗨️ CLB 4–5: Make and respond to a range of requests and offers (CLB 4); give and respond to informal requests ... and advice.
- 📖 CLB 3–5: Get information from short (CLB 3, 4) and simple to moderately complex (CLB 5) business or service texts.
- 📖 CLB 3–5: Get information from simple (CLB 3, 4) and moderately complex (CLB 5) formatted texts.

Procedures

A and B. To introduce the topic, you can ask learners what banks they know of, whether or not they have bank accounts, and whether or not they do banking for themselves and their families. Ask learners to complete the survey and interview each other in pairs. Learners can then collect the data for the class and draw conclusions, e.g., *Two people always do banking with a bank teller.* Learners at CLB 3 can write sentences about their banking habits and needs to reinforce the vocabulary.

C. This is a vocabulary practice exercise. Alternatively, you could use it before parts A and B to review/introduce the vocabulary.

Answers:

- | | | | |
|--------------------|---------------------------|--------------------|--------------------------|
| 1. account holder | 5. chequing account | 9. direct deposit | 13. reward points |
| 2. joint account | 6. unlimited transactions | 10. bank statement | 14. account balance |
| 3. minimum balance | 7. transaction limit | 11. mobile banking | 15. NSF charge |
| 4. savings account | 8. fee waiver | 12. banking app | 16. overdraft protection |

D. This activity provides practice in reading a formatted text—the brochure about banking plans and accounts. For CLB 3 learners, you could ask comprehension questions to ensure understanding of the information included. Learners can also work in pairs. As a follow-up, they could choose the plan that would work for them and explain why.

Bank Accounts

E. In this listening activity, learners identify bank account/plan features mentioned in the dialogue. Alternatively, you may photocopy the transcript of the dialogue and blank out the key terms. Learners would need to fill in the blanks while listening. You may need to divide the listening into two or three parts for learners at CLB 3; it might be easier to follow.

Transcript

- A: Hello and thank you for waiting. May I have your 10-digit bank card number following the numbers 568066?
- B: Yes, it's 0753525748.
- A: Thank you. How may I help you today?
- B: I'm calling about my bank account plan. I checked my recent bank statement and I noticed that I paid \$12.95 for my plan in October and I'm not sure why. I've never paid for my plan before.
- A: Okay, well, I see here you currently have the Super Plan. It looks like your minimum balance went below \$3,000 on October 25th. That is why we didn't waive the plan fee this month.
- B: So, you mean I need to have \$3,000 in the account every day of the month to get the plan for free?
- A: Yes, that is correct.
- B: Oh, I see. I didn't understand it that way. It may be difficult for me to keep such a high balance throughout the month. Could you tell me about your other plans?
- A: Certainly. We have the Plus Plan for \$8.95 a month and the Basic Plan for \$3.95 a month. Of course, the Basic Plan doesn't have as many features as the Plus Plan.
- B: Do I need to keep the minimum balance in order to pay no fees?
- A: The Plus Plan is free with a minimum balance of \$2,000. And for the Basic Plan, we waive the fee with a minimum balance of \$1,000.
- B: Oh, okay. How many transactions does each plan include?
- A: The Plus Plan includes 24 transactions and the Basic Plan includes eight transactions.
- B: The Basic Plan sounds good. The problem is, I usually make more than eight transactions a month. How much do you charge for extra transactions?
- A: Each additional transaction is \$1. So, with the Basic Plan, if you have the minimum balance and make 12 transactions, it will cost you \$4 for the month.
- B: And if my balance drops below \$1,000, I have to pay the plan fee plus the extra transactions, right?
- A: That's correct. For 12 transactions, the total would be \$7.95 for the month. ... I also notice that you collect a lot of reward points with the Super Plan. I should point out that there are no reward points with the Plus or the Basic plans.
- B: Oh, I see...
- A: The Plus Plan doesn't give you any reward points, but it does give you more transactions. It also gives you overdraft protection. But, you do need to maintain a \$2,000 minimum balance to get the fee waiver.
- B: Hmm, I think I need some more time to think about what plan is best for me at this point.
- A: Certainly. We are available 24 hours a day. Please call any time so we can assist you.
- B: Thank you for all your help.

Bank Accounts

F. These discussion questions can be used for a small-group or class discussion.

G. Learners can prepare questions for these two situations. At CLB 5, learners could prepare dialogues using the brochure from part D or the information they have researched in a local bank or online. This exercise could prepare them for the role play that follows.

H. This is a speaking practice that consolidates what learners have learned so far. Have learners present their dialogues in groups of four, where one pair performs and the other evaluates their classmates.

Beyond the classroom: Learners can use handouts in parts I and J to gather information about their own banking habits, routines or needs; they can also research local banks (visit, research online) and use the tool in part J to consolidate the information.

A. Complete the quiz below. Then, write sentences about your banking needs and habits.

1.	What kinds of bank accounts do you need?	a. savings	b. chequing	c. both
2.	How often do you do your banking in a branch with a teller?	a. always	b. sometimes	c. never
3.	How often do you use the bank machine (ATM)?	a. always	b. sometimes	c. never
4.	How often do you use the ATM at other banks or in other places, such as stores?	a. always	b. sometimes	c. never
5.	How often do you do your banking by telephone?	a. always	b. sometimes	c. never
6.	How often do you do your banking by personal computer?	a. always	b. sometimes	c. never
7.	How often do you use a smartphone to do your banking?	a. always	b. sometimes	c. never
8.	What kinds of transactions do you usually make?	<input type="checkbox"/> deposits	<input type="checkbox"/> withdrawals	<input type="checkbox"/> transfers
		<input type="checkbox"/> bill payments	<input type="checkbox"/> foreign exchange	<input type="checkbox"/> debit card purchases
9.	About how many transactions do you make every month?	a. over 30	b. between 10 and 30	c. less than 10
10.	Do you keep a minimum balance in your bank account every month?	a. always	b. sometimes	c. never

Example: *I usually make deposits and withdrawals at the ATM. I never do telephone banking.*

B. Interview your partner using the quiz questions.

C. Complete the sentences below with the bank account terms provided.

bank statement	joint account	reward points	NSF charge
mobile banking	minimum balance	chequing account	fee waiver
unlimited transactions	transaction limit	savings account	direct deposit
overdraft protection	account holder	account balance	banking app

- Miriam has her own bank account. She is the _____.
- Ann and her husband share the same bank account. They have a _____.
- It is fine to have \$0.00 in your bank account. You do not need a _____.
- Jay wants to save money to go to college. He opened a _____ because the interest rate was good.
- Jose has a _____ for his day-to-day banking. He can deposit money, withdraw money and write cheques. The interest rate is very low.
- Hani can withdraw, deposit or transfer money, pay bills, etc. as many times as he wants each month. His bank plan gives him _____.
- Lily withdrew and deposited money 11 times last month. She went over her _____ by one. She has to pay \$1.
- Many banks do not charge fees for transactions if you keep a minimum balance. They offer a _____.
- Lucy's employer does not give her a paper paycheque. Instead, her pay goes into her bank account. She uses _____ because it is convenient and free.
- It is important to check your _____ every month. It shows your account balance and a list of all your transactions and fees.
- Oleg can do banking with his smartphone anywhere and anytime. He likes _____ because it is so convenient.
- You need a special tool or application to do banking on your smartphone. This is called a _____.
- Tashi gets a point every time she spends \$40 with her debit card. She gets _____ which she can use to travel or buy groceries.
- It is important to know how much money is in your bank account before you write a cheque. It's a good idea to check your _____ first.
- Asha wrote a rent cheque for \$800, but she had only \$750 in her account. There was an _____ (not sufficient funds) charge of \$40 on her next statement.
- Amelia bought groceries for \$65 with her debit card. She had only \$50 in her account. This was not a problem because she pays the bank for _____. This means the bank gives her a temporary loan when she writes a cheque or withdraws money.

D. Read the bank brochure and decide if the statements below are true (T) or false (F).

MyBank Elite Plan		\$24.95 / month
<ul style="list-style-type: none"> • Unlimited transactions (in branch, on phone, online or at ATM) • 10 email money transfers/month • Overdraft protection • Reward points for every debit card purchase 	<ul style="list-style-type: none"> • Fees waived with minimum monthly account balance of \$5,000 • Small safety deposit box • Free MyBank mobile banking app 	
MyBank Super Plan		\$12.95 / month
<ul style="list-style-type: none"> • Unlimited transactions (in branch, on phone, online or at ATM) • 3 email money transfers/month • Overdraft protection 	<ul style="list-style-type: none"> • Reward points for every debit card purchase • Fees waived with minimum monthly account balance of \$3,000 • Free MyBank mobile banking app 	
MyBank Plus Plan		\$8.95 / month
<ul style="list-style-type: none"> • 24 transactions (in branch, on phone, online or at ATM) • 1 email money transfer/month • Overdraft protection 	<ul style="list-style-type: none"> • Fees waived with minimum monthly account balance of \$2,000 • Free MyBank mobile banking app 	
MyBank Basic Plan		\$3.95 / month
<ul style="list-style-type: none"> • 8 transactions (in branch, on phone, online or at ATM) • Fees waived with minimum monthly account balance of \$1,000 	<ul style="list-style-type: none"> • Free for children and students • Fees waived for newcomers to Canada* 	
MyBank Elder Plan		\$0.00 / month
<ul style="list-style-type: none"> • Unlimited transactions • Overdraft protection 	<ul style="list-style-type: none"> • Assisted bill payment service 	
MyBank Saver's Plan		Fees vary
<ul style="list-style-type: none"> • Pay for each transaction you make • \$1/per transaction 	<ul style="list-style-type: none"> • Not recommended for more than 3 transactions per month. 	
<p><i>* The MyBank Basic Plan is free for newcomers who have obtained permanent residence status in Canada within the last two years. The fee waiver is for one year, after which regular monthly and transaction fees will automatically apply without prior notice. Offer available on new accounts only.</i></p>		

1. The Elite Plan is free if you keep at least \$5,000 in your account. _____
2. The Super Plan is \$12.95 if you have \$3,000 or less in your account. _____
3. The Elite and Super plans give reward points for every transaction. _____
4. The Elite and Super plans give you a maximum number of transactions per month. _____
5. With the Basic Plan, if you make 10 transactions in one month, the bank will charge you for two transactions. _____
6. You have to pay for overdrafts with the Elder Plan. _____
7. The Basic Plan is free for all newcomers for one year. _____
8. The bank warns newcomers when the Basic Plan fees will begin. _____

E. 🎧 Listen to the telephone conversation between a customer and a customer service representative. Check off the items that are discussed.

<input type="checkbox"/> number of transactions	<input type="checkbox"/> mobile banking
<input type="checkbox"/> overdraft protection	<input type="checkbox"/> plan fees
<input type="checkbox"/> additional transaction fees	<input type="checkbox"/> safety deposit boxes
<input type="checkbox"/> branch hours and location	<input type="checkbox"/> bank account plans
<input type="checkbox"/> minimum balance	<input type="checkbox"/> assisted bill payments
<input type="checkbox"/> reward points	<input type="checkbox"/> fee waiver

F. Answer the questions.

1. Why did the customer call and how did she resolve her problem?
2. What account plan features do you like best? (e.g., unlimited transactions, reward points)
3. Why do you think banks ask customers to keep a minimum balance with some plans?
4. Are you willing to pay fees for your bank account plan? Why?
5. Why do you think banks offer reward points?
6. What type of reward points are you more interested in: travel or merchandise (e.g., electronics, groceries)?

G. In pairs, brainstorm the questions you may use in a conversation between a customer service representative and a customer in the following situations.

1. A new customer wants information about account plans.
2. An existing customer wants to switch to a more affordable plan.



H. ROLE PLAY: STUDENT A

Role-play a telephone conversation between a customer service representative and a customer using the information in your role cards as a guide.

Part 1

You are a customer at *MyBank* with the *MyBank Plus Plan*. You checked your recent bank statements and noticed that you make around 30 transactions a month, so you pay about \$6 per month in additional transaction fees. You also cannot keep a minimum balance of \$2,000 in your account anymore. You would like to get reward points for debit purchases, if possible. Tell the customer service representative why you are calling and explain your situation. Ask questions and clarify the information. Try to find a bank plan that better suits your needs.

Your notes

Part 2

You work for the bank as a customer representative. Greet the customer and find out why he/she is calling. Ask the customer questions about his/her needs. Recommend the plan that you think best suits the customer, using the information below.

MyBank Basic Plan \$3.95 / month	MyBank Plus Plan \$8.95 / month
<ul style="list-style-type: none"> • 8 transactions (in branch, on phone, online or at ATM) • Fees waived with minimum monthly account balance of \$1,000 • Fees waived for newcomers to Canada <ul style="list-style-type: none"> • Free for newcomers who have obtained permanent residence status in Canada within the last two years. • The fee waiver is for one year, after which regular monthly and transaction fees will automatically apply without prior notice. • Offer available on new accounts only. 	<ul style="list-style-type: none"> • 24 transactions (in branch, on phone, online or at ATM) • 1 email money transfer/month • Overdraft protection • Fees waived with minimum monthly account balance of \$2,000 • Free MyBank mobile banking app

H. ROLE PLAY: STUDENT B

Role-play a telephone conversation between a customer service representative and a customer using the information in your role cards as a guide.

Part 1

You work for the bank as a customer representative. Greet the customer and find out why he/she is calling. Ask the customer questions about his/her needs. Recommend the plan that you think best suits the customer, using the information below.

MyBank Basic Plan	MyBank Elder Plan
<p style="text-align: right;"><i>\$3.95 / month</i></p> <ul style="list-style-type: none"> • 8 transactions (in branch, on phone, online or at ATM) • Fees waived with minimum monthly account balance of \$1,000 • Free for children and students • Fees waived for newcomers to Canada* 	<p style="text-align: right;"><i>\$0.00 / month</i></p> <ul style="list-style-type: none"> • Unlimited transactions • Overdraft protection • Assisted bill payment service

Part 2

You have been in Canada for three months. There is a MyBank branch close to your home and you are thinking of opening an account there. You usually make between six and 10 transactions each month. You cannot keep a balance over \$2,000. You would like a plan that includes email money transfers, if possible. Tell the customer service representative why you are calling and explain your situation. Ask questions and clarify the information. Try to find a bank plan that suits your needs.

Your notes

I. Analyze your banking needs (e.g., review your bank statements, think about your banking routines/habits) and complete the checklist below.

<p>Discount Categories: <input type="checkbox"/> youth (under 19) <input type="checkbox"/> student <input type="checkbox"/> senior <input type="checkbox"/> newcomer</p> <p>Banking Needs: <input type="checkbox"/> savings <input type="checkbox"/> chequing <input type="checkbox"/> savings and chequing</p> <p>Typical Balance Maintained: \$ _____</p> <p>Number of Deposits Per Month: <input type="checkbox"/> in-branch <input type="checkbox"/> automated banking machine (ABM) <input type="checkbox"/> direct payroll deposit <input type="checkbox"/> other direct deposit, e.g., GST refunds <input type="checkbox"/> Total number of deposits</p>	<p>Number of Withdrawals/Bill Payments Per Month: <input type="checkbox"/> cheques written <input type="checkbox"/> in-branch cash withdrawals <input type="checkbox"/> ABM – own bank <input type="checkbox"/> ABM – another bank <input type="checkbox"/> pre-authorized payments <input type="checkbox"/> point-of-sale debit card <input type="checkbox"/> transfers between accounts <input type="checkbox"/> bills paid in-branch <input type="checkbox"/> Total number of withdrawals</p> <p>Record-keeping Options: <input type="checkbox"/> monthly statement – cheques returned <input type="checkbox"/> monthly statement only <input type="checkbox"/> monthly statement – photocopies of cheques <input type="checkbox"/> monthly statement – online <input type="checkbox"/> passbook</p>	<p>Method Used To Pay Bills: <input type="checkbox"/> in-branch <input type="checkbox"/> ABM <input type="checkbox"/> telephone banking <input type="checkbox"/> pre-authorized payments <input type="checkbox"/> cheque <input type="checkbox"/> online</p> <p>Other Banking Services: <input type="checkbox"/> safety deposit box <input type="checkbox"/> travellers' cheques <input type="checkbox"/> telephone banking <input type="checkbox"/> online banking <input type="checkbox"/> mobile banking <input type="checkbox"/> overdraft protection <input type="checkbox"/> credit cards <input type="checkbox"/> money orders <input type="checkbox"/> foreign currency</p> <p>Other Considerations: (e.g., hours of service, location)</p>
<p>THINGS TO CONSIDER:</p> <ol style="list-style-type: none"> Many banks waive services fees if you maintain a minimum balance. Consider a monthly fee plan to reduce the cost of transactions. Many transactions are now cheaper if done at an ABM instead of at the counter in the branch. Use your bank's ABM to avoid paying Interac fees. Making one weekly withdrawal instead of more frequent ones saves on withdrawal fees. Bill payments made at ABMs can sometimes be combined into one transaction so you incur only one bill payment charge. It may be cheaper to use your debit card when shopping instead of writing cheques. Most banks have special discounts for youth, students and seniors. Some banks offer special accounts for newcomers to Canada. Pre-authorized payments may be the cheapest way to pay bills. Using telephone or PC banking saves time and transportation costs. 		

Adapted from: *Credit Canada Debt Solutions*

J. Using your banking needs analysis from part C, gather information about accounts/plans offered by different financial institutions (e.g., interview a customer service representative, read online information), and complete the chart below. Present your findings in small groups.

Name of institution	#1	#2
Name of account/plan/package		
Features of the account <i>e.g., number of transactions</i>		
Total cost per month		
Additional services and other considerations <i>e.g., hours of operation, location, etc.</i>		

Adapted from: *Credit Canada Debt Solutions*

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with some of the key vocabulary and concepts related to banking needs, bank statements and bank transactions. The activities provide practice in vocabulary use, reading, listening and speaking, and are generally appropriate for learners at CLB 3 to 5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Be aware of the features and fees associated with bank account plans
- Understand a bank account statement (format, transaction codes etc.)

Corresponding CLB competencies

- 🗣️ CLB 4: Understand short communication intended to influence or persuade others in familiar, everyday situations (CLB 4); understand the gist and some details in moderately complex communication intended to influence or persuade in everyday, personally relevant situations (CLB 5).
- 📖 CLB 3–5: Get information from short (CLB 3, 4) and simple to moderately complex (CLB 5) business or service texts.
- 📖 CLB 3–5: Get information from simple (CLB 3, 4) to moderately complex (CLB 5) formatted texts.

Procedures

A. The purpose of this activity is to get learners interested in the topic and help them to activate the vocabulary.

B. This exercise reviews the vocabulary used in bank statements. It's appropriate for CLB 3. Discuss what the terms mean and what each of the situations is about. With CLB 4–5 learners, you could also review the vocabulary items using Part C in the Bank Accounts set of activities.

Answers:

1. deposit
2. withdrawal
3. balance
4. foreign exchange
5. funds on hold
6. interest
7. deposited
8. direct deposit

C and D. This activity focuses on reading a sample bank statement. First, ask learners to scan it and pay attention to how the information is organized (table, three distinct parts, codes with a legend, etc.). You can ask some comprehension questions as well. Discuss what the codes mean. You could access samples of simplified bank statements online (search term: sample bank account), including online bank statements, and discuss them as well. You may also compare online and paper statements.

Ask learners to answer the questions in part D. Learners can work in pairs. They can circle the answers on the statements. Alternatively, you could divide the questions into two groups and learners could quiz each other in pairs.

E. In this listening activity, learners identify the problem and the solution. Before listening, elicit what problems can possibly occur—learners can also share their own experiences. For CLB 3, divide the class into two groups and ask group 1 to listen to situation 1 and 3 while group 2 listens to situations 2 and 4.

Extend the activity: Learners can create their own dialogue and present it to the class.

Bank Statement

🔊 Transcript

Conversation 1

A: I have an account plan, but I still pay service charges for transactions.

B: You probably have a transaction limit. If you go over your limit, you have to pay for additional transactions. Maybe you should change to a different plan or make fewer transactions.

Conversation 2

A: I used the ATM at another bank. I paid the convenience fee at the ATM, but my bank charged me a transaction fee, too. Is that a mistake?

B: No, it isn't. That's normal. That's why you need to be really careful when you use ATMs. It can cost up to \$6 in transaction fees when you withdraw money from another bank's ATM or from a store ATM.

Conversation 3

A: My friend sent me a cheque in US dollars. I deposited it a week ago, but I still can't withdraw my money.

B: The bank put the funds on hold. They need to make sure the cheque is valid. They usually hold cheques in a foreign currency for 15 to 30 days.

Conversation 4

A: I wrote a cheque and it bounced! This is the first time I have had an overdraft. I was sure I had enough money in my account to cover the cheque.

B: Let's look at your last statement. Look here. Your balance went below \$1,000 for a few days, so your bank charged you an account plan fee. You also paid for extra transactions. So your account balance was lower than you thought. That's why your cheque bounced.

F. This is a research activity appropriate for learners at CLB 5. Learners can also obtain this information by visiting a local bank and speaking to a customer service representative.

Beyond the classroom: Learners can review their bank statements at home; they can also examine how much they pay in monthly fees and determine whether or not their current account plan is the most suitable for their needs/habits.

A. Interview two classmates using the questions below. Compare the answers in small groups.

1. Who does the banking in your household?
2. Which do you use more frequently: the bank teller, the bank machine, or online banking?
3. Do you receive monthly paper statements or do you access them online?
4. What types of transactions do you make each month? How many do you make?
5. Do you have a bank account plan? If yes, what does your plan include?
6. Does your plan have service charges? What are they for?

B. Read the glossary and complete the sentences below.

GLOSSARY

automated teller:	a bank machine
balance:	the total amount of money in a bank account
deposit:	the money you add to your bank account
direct deposit:	an electronic payment from an employer into an employee's bank account
foreign exchange:	changing money from one currency to another (e.g., dollar to peso, yuan etc.)
funds on hold:	deposits that the bank needs to check or 'clear' (e.g., large cheques)
interest:	the money the bank pays you for investing money in their bank (e.g., 0.25%)
purchase at merchant:	using a bank debit card to buy something at a store
transaction:	an activity involving a bank account (e.g. withdraw money, deposit a check etc.)
to transfer:	to move money from one account to another account
withdrawal:	the money you remove from your bank account

1. Oleg put his cheque in the bank. He made a _____.
2. Rosa took money out of her account. She made a _____.
3. Leila has a _____ of \$1,500 in her savings account.
4. Jan bought some US dollars. He went to the _____ counter.
5. Lucas put a cheque in his bank from another province. He must wait for the money to go into his account. The bank put the _____ for 5–10 days.
6. Lena has a high _____ savings account. She gets 2.0%.
7. Yan took \$500 from his savings account and _____ it to his chequing account.
8. Mina doesn't get a paper paycheque. Her pay goes into her bank account automatically. She uses _____.

C. Read Anna's online bank statement. Use the legend to check the kinds of transactions Anna made.

Account	Chequing—Basic Plan		Account Number	0358 #6781-923	
The current balance shown is as of today's date. Please report any items that do not match your records.					
Account Balance	\$2,254.54		Funds on Hold*	\$300.00	
Available Funds⁺	\$1,954.54				
Transaction History					
View transactions by selecting a time period or date range, or filter your results by entering a description.					
View	<input type="text" value="Last month"/>	or show from	<input type="text"/>	to	<input type="text"/>
			MM/DD/YYYY		MM/DD/YYYY
Date	Code	Description	Debit	Credit	Balance
		<i>Balance Forward</i>			\$1,950.87
May 1	TF	0758 #9008-351	\$850.00		\$1,100.87
May 8	CD	25 OAK ST. / GOV. CHEQUE		\$100.00	\$1,200.87
May 8	WD	25 OAK ST.	\$200.00		\$1,000.87
May 12	PR	HARDWARE SUPERSTORE	\$56.87		\$944.00
May 15	OL	BOOKS GALORE	\$42.61		\$901.39
May 18	DN	SOHO HOTEL / PAYCHEQUE		\$1,575.00	\$2,476.39
May 20	AT	680 MAIN ST.	\$100.00		\$2,376.39
May 22	PR	SUNSHINE FOODS	\$74.96		\$2,301.43
	AT	NON-MYBANK ATM	\$201.50		\$2,099.93
May 28	CW	MASTERCARD	\$139.46		\$1,960.47
May 30	AT	25 OAK ST. /CHEQUE USD		\$300.00	\$2,260.47
May 31	IN			\$0.02	\$2,260.49
May 31	SC	BASIC PLAN	\$3.95		\$2,256.54
May 31	SC	EXCESS ITEMS 02 @ \$1.00	\$2.00		\$2,254.54
* Funds on hold are deposits you have made to your account that have not yet been cleared by the bank.					
+The available funds will be different from the account balance if funds are on hold or if you have overdraft protection.					
Transaction Codes					
Code	Transaction Type	Code	Transaction Type	Code	Transaction Type
AT	Automated Teller	DN	Direct Deposit (No Charge)	OL	Online Debit Purchase
CC	Certified Cheque	DR	Overdraft	PR	Purchase at Merchant
CD	Customer Deposit	EC	Error Correction	SC	Service Charge
CK	Cheque	FX	Foreign Exchange	TF	Transfer of Funds
CW	Telephone/Online Banking	IN	Interest	WD	Withdrawal

D. Scan Anna's bank statement to answer the questions.

1. What type of account is this statement for?
2. How much does Ana have in her account?
3. What is the maximum she can withdraw? Why?
4. What time period is the statement for?
5. Where did Ana withdraw money? (In the branch? At the ATM?)
6. What kinds of deposits are on the statement?
7. Where did Ana use her debit card?
8. How much did Ana move into her chequing account?
9. How much interest did Ana make?
10. What transactions did Ana make online?
11. What did Ana pay service charges for? Which transactions do not have a service charge?
12. How can Ana save money on service charges next month?

E. 🎧 Listen to the conversations and complete the table.

	Problem	Explanation
Conversation 1		
Conversation 2		
Conversation 3		
Conversation 4		

F. Search the *Financial Consumer Agency of Canada (FCAC)* website to find:

- a list of current fees for ATM transactions
- the steps to take if you need to make a complaint against your bank

Discuss your findings in small groups.

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with key concepts related to types of credit, credit history and credit score. The activities provide practice in vocabulary use, reading and speaking, and are generally appropriate for learners at CLB 3 to 5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Understand vocabulary and concepts related to credit (e.g., *principal, interest rate, term, to default on a loan payment, etc.*)
- Understand how credit works
- Identify advantages and disadvantages of using credit
- Identify elements of credit history
- Plan and develop strategies to build their own credit history

Corresponding CLB competencies

- 🗣️ CLB 3–5: Ask for and give information about needs ... (CLB 3, 4); ask for and give information related to ... activities ... (CLB 5).
- 📖 CLB 3–5: Understand the purpose, main idea, key information and specific details in simple short texts ... related to personally relevant situations (CL 3, 4); understand simple to moderately complex descriptive or narrative texts (CLB 5).

Procedures

A, B and C. This is a series of activities that introduce the topic of credit. Learners can discuss these questions in small groups or as a class. Learners may want to explore the cultural differences in attitudes towards credit.

D and E. This short reading is appropriate for learners at CLB 3 and 4; it introduces the key vocabulary. Learners could also write their own sentences with new words to demonstrate their meanings.

Answers: 1. E 2. A 3. D 4. I 5. C 6. F 7. H 8. B 9. G 10. J

E. Learners at CLB 3 can copy the complete sentences.

Answers: 1. F 2. E 3. B 4. A 5. C 6. D

G. This quiz explores the main ideas about credit and allows learners to learn about them. Learners can do the quiz in pairs (answering together) or individually. They could also quiz each other. The questions that follow check learners' comprehension of the information about credit.

H. Before reading the text, explain what credit history is and elicit what can contribute to it. Learners can brainstorm ideas in groups. **Extend the activity:** Ask learners to work in groups. Each group will create a profile of a person/family with some credit history. Then, they present their profile to the class and the rest of the learners evaluate which elements could affect the credit history and why.

Sample profile: Tina is a nurse. She's been working for 6 years. She has \$25,000 in student debt. She has three credit cards and uses them often. Sometimes she doesn't pay them in full because she doesn't have enough money. Last year she took out a small loan to buy her furniture and next month she will have paid it back in full.

I. This activity is an information gap task; learners work in pairs. First, they need to complete the text. Then, they can answer comprehension questions in pairs, or you could discuss them with the whole class.

Beyond the classroom: Learners can research information about credit history, credit score and credit reports as well as view sample credit reports on the Financial Consumer Agency of Canada (FCAC) website.

A. These are types of credit common in Canada. With a partner, discuss what you know about each type.

- mortgage
- student loan
- car loan
- credit card

B. Here are some things people may borrow money to pay for. Add more items to the list.

a new car	
a trip to your home country	
a house	

C. What would you borrow money or use credit to pay for? What would you not borrow money or use credit to pay for? Compare your list with a partner. Explain why you would or would not borrow money for each item.

new car used car designer bag luxury cruise car repairs
 start a business diamond ring 3D television new refrigerator home renovation

I would use credit to pay for ...	I would not use credit to pay for ...

D. Read the text about credit. Match the words from the text with their meanings.

Credit is a way to buy goods or services now and pay for them later. Credit comes in many forms. **Loans, mortgages** and **credit cards** are all forms of credit. Credit is usually provided by a bank or other financial institution.

When you use credit, the **lender** charges you interest. Every time you **borrow** money, you have to **repay** the amount you borrowed and the interest. Interest is a fee for letting you pay later. When you have a loan, you repay the amount you borrowed, plus the interest, over a period of time. For credit cards, you do not pay any interest when you pay the **full amount** you owe within a certain period of time. This period of time is called a **grace period**.

When you borrow money or use credit, it becomes part of your **credit history**.

- | | |
|-------------------------|---|
| 1. ____ loan | A. a loan for buying a house or property |
| 2. ____ mortgage | B. the total amount of a loan |
| 3. ____ credit card | C. a fee you pay for a loan |
| 4. ____ lender | D. a type of loan you can use whenever you want to pay for different things |
| 5. ____ interest | E. money you borrow and agree to pay back |
| 6. ____ to borrow | F. to take money from a lender |
| 7. ____ to repay | G. the time between taking the loan on a credit card and the first due date for payment |
| 8. ____ full amount | H. to give back money for a loan, including interest |
| 9. ____ grace period | I. a person, bank or a company that gives loans or credit |
| 10. ____ credit history | J. to return money you borrowed |

E. Match the sentence beginnings with the correct endings.

- | | |
|--|--|
| 1. You can use credit ... | A. for letting you pay later. |
| 2. A mortgage ... | B. provide credit. |
| 3. Banks ... | C. the amount you owe plus interest. |
| 4. Interest is a fee ... | D. when you pay the full amount within the grace period. |
| 5. You have to pay ... | E. is a form of credit. |
| 6. You don't pay any interest on a credit card ... | F. to buy something now and pay for it later. |

F. Discuss the questions with a partner or in a group.

1. Is credit common in the country you are from? What forms of credit are popular?
2. Do you think everyone needs to have credit? Why?
3. What are some advantages of having credit? What are some disadvantages? Make a list.

G. Complete the quiz about credit. Then, answer the questions that follow.**1. What is credit history?**

- a) the amount you can spend with your credit card
- b) a record of your bill and loan payments before now
- c) the amount of interest you will be charged for a loan or credit card

2. What is a credit score?

- a) the maximum amount you can owe on your credit card
- b) a number between 300 and 900 that shows if you are a responsible borrower. A high score means a lower risk for lenders.
- c) a record of all your loans and other debts

3. What does a good borrower do?

- a) make payments on time
- b) borrow often and get larger loans each time
- c) never apply for loans or credit cards

4. Loans, mortgages and debit cards are all forms of credit. True False

5. Some landlords will check your credit score before they rent a place to you. True False

6. When you apply for credit, the bank checks your credit history in Canada. True False

7. Loans, mortgages, and credit cards all have the same interest rate. True False

8. It is easy for everyone, even newcomers, to get credit in Canada. True False

9. When you use your credit card and pay the full amount on time, you don't pay any interest.
True False

1. What do you need to do in order to have a credit history?
2. What does a high credit score mean for a lender?
3. What happens to your credit score when you make all your payments on time?
4. Why is it difficult for newcomers to Canada to get credit?
5. Why do you need to ask about interest rates when you apply for different forms of credit?
6. Why is it good to pay the full amount on your credit card each month?

H. Before you read the text below, discuss the questions.

1. What information can a credit history include?
2. Who might have a bad credit history?
3. Who will check your credit history? Why?
4. What can newcomers do to establish a credit history?

Establishing Credit History

Credit history is a record of a person's past borrowing and repayment of credit cards, loans, mortgages or other debts. You build a credit history by borrowing money and paying back the full amount on time.

Newcomers to Canada, young people, and people who have never had a loan or a credit card do not have a Canadian credit history. It is important to establish a credit history for the future. You may need a good credit history to get a credit card, to rent an apartment, or even to get a job. You will need a good credit history if you want to get a loan to buy a car or a mortgage to buy a house.

Here are some ways to establish a credit history:

1. Get a credit card. Most banks in Canada will not give you a **standard** credit card if you do not have any Canadian credit history. You can apply for a special kind of card called a **secured credit card**.
2. You can apply for a **joint credit card**.
3. You can apply for a **retail credit card**.
4. Get a small **bank loan** and pay it back. You may need to use some of your savings for security.

Here are some ways to build and keep a good credit history:

5. Try to pay your bills **in full** by the **due date**. If you can't do this, pay **at least** the **minimum amount** from your monthly statement.
6. Try to pay your **debts** as quickly as possible.
7. Don't go over the **credit limit** on your credit card. Try to keep your **balance** well below the credit limit. A high balance will affect your credit score.
8. Don't make a lot of credit applications. When many lenders ask about your credit in a short period of time, your **credit score** may go down. When you ask for information about your own credit report, your score does not change.

I. Work with a partner to complete the definitions. Take turns reading the definitions and writing the missing words. Then, read the credit terms and answer the questions.

Student A

A credit bureau or _____ agency is a business that _____ and _____ information about _____ and _____ it takes them to _____ they have borrowed. A credit-reporting agency provides information about credit history in two ways, as a _____ and as a _____.

Credit history is information about borrowers and how long it takes them to pay back money they have borrowed.

A _____ contains information about your _____ and present _____ and _____ situation. It is one of the main _____ lenders use to _____ whether or not to give you _____.

A credit score is a number between 300 and 900 that represents your financial “health” at a specific point in time. High scores on this scale are good. A high score means a low risk for the lender.

1. What is a credit reporting agency?
 - a) a government department
 - b) a business
 - c) a financial institution
2. What information does a credit reporting agency not collect about borrowers?
 - a) personal information
 - b) repayment information
 - c) income tax refunds
3. What are two ways that a credit reporting agency can report someone’s credit history?
 - a) a credit report and a credit score
 - b) a credit report and a credit rating
 - c) a credit score and a bank balance
4. What is not part of credit history?
 - a) personal information about a borrower
 - b) repayment of loans
 - c) credit card statements
5. What does a high credit score mean for a borrower?
 - a) more likely to get credit
 - b) the borrower is high risk
 - c) high interest rate
6. What does a high credit score mean for a lender?
 - a) the borrower is high risk
 - b) the borrower is low risk
 - c) high interest rate

1. Work with a partner to complete the definitions. Take turns reading the definitions and writing the missing words. Then, read the credit terms and answer the questions.

Student B

A credit bureau or credit reporting agency is a business that collects and provides information about borrowers and how long it takes them to pay back money they have borrowed. A credit-reporting agency provides information about credit history in two ways, as a credit report and as a credit score.

Credit _____ is information about _____ and how _____ it takes them to _____ money they have _____.

A credit report contains information about your past and present personal and financial situation. It is one of the main tools lenders use to decide whether or not to give you credit.

A credit _____ is a number _____ and _____ that represents your financial “_____” at a specific point in _____. _____ scores on this scale are _____. A _____ score means a low risk for the lender.

1. What is a credit reporting agency?
 - a) a government department b) a business c) a financial institution
2. What information does a credit reporting agency not collect about borrowers?
 - a) personal information b) repayment information c) information about tax credits
3. What are two ways that a credit reporting agency can report someone’s credit history?
 - a) a credit report and a credit score b) a credit report and a credit rating
 - c) a credit score and a bank balance
4. What is not part of credit history?
 - a) personal information about a borrower b) repayment of loans c) credit card statements
5. What does a high credit score mean for a borrower?
 - a) more likely to get credit b) high risk c) high monthly payments
6. What does a high credit score mean for a lender?
 - a) the borrower is high risk b) the borrower is low risk c) high interest rate

J. Below are some common expressions about credit. Read the sentences, then match them with the definitions.

1. You will always have debts if you **rob Peter to pay Paul**.
2. Some people have problems paying their debts because they often use credit **to live beyond their means**.
3. I don't have enough cash right now to pay for a new computer, so I plan to **buy one on credit**.
4. He will pay less interest for his car loan if he **pays off the loan** in two years instead of three.
5. She earned extra money this month, so she made an extra mortgage payment. This will help **pay down her mortgage**.

To buy something on credit means _____.

To pay down a mortgage (debt/loan/credit card) means _____.

To pay off a loan (debt/mortgage/credit card) means _____.

To rob Peter to pay Paul means _____.

To live beyond one's means means _____.

to pay for something with a loan or credit card	to finish paying back a loan completely	to reduce the amount owed on a loan
to borrow money from one lender to pay back a loan from a different lender	to spend more than your income	

K. Write sentences about these people and situations using appropriate idioms.

1. Joy lost her job, but she continues to buy expensive clothes.
2. Lena doesn't want to pay a lot of interest on her credit card. What should she do?
3. When Tom doesn't have money in his bank account, he pays his bills with his credit card.
4. Jay just got a \$5,000 cheque for his income tax refund. He has a car loan and he owes some money on his credit card. He also has a large mortgage.

Taxes



The activities in this section explore the topic of taxes with a focus on types of taxes in Canada, sales taxes in Ontario, and personal income tax. The activities provide opportunities to practice reading formatted and web-based texts, listening and speaking. Learners can also practice numeracy skills by calculating personal income tax rates.

The *Taxes* section includes two sets of activities:

Taxes in Canada

Income Tax

Calculating Personal Income Tax

You can select activities to teach based on the needs and interest of learners in your class. The activities can be used individually and need not be used in the sequence in which they are presented. You may also add your own activities where appropriate. Suggestions and ideas for extending or complementing the specific activities are included in the teaching notes.

You can complement the activities in this section with online activities at *English for Financial Literacy > Online Activities*.

The activities in this section relate to the following theme in LINC 1–5 Curriculum Guidelines:

- **Commercial Services and Business**
- **At Home in Our Community and the World**

Learning Outcomes

The sample learning outcomes below can help you plan a lesson or series of lessons about taxes. The outcomes are intended to guide you in defining areas of content and contexts for the language instruction. The financial literacy outcomes can help you determine the aspects of financial literacy to include in your instruction in order to facilitate learners' understanding, knowledge and competence. The language outcomes can guide you in selecting and designing language activities at CLB 3–5 that support financial literacy.

The activities included in this section are intended to support the outcomes below.

Sample Financial Literacy Outcomes	Sample Language and Numeracy Outcomes
<p>Understanding and knowledge</p> <ul style="list-style-type: none">• Understand why and how taxes are collected and spent• Recognize how taxation provides for public services and programs• Understand how sales taxes are applied• Understand how personal income taxes are applied at federal and provincial/territorial levels• Understand how to file a personal income tax return <p>Application</p> <ul style="list-style-type: none">• Identify specific services supported by taxes at different levels of government• Identify goods and services taxed with HST and GST• Identify documents needed when filing a tax return• Identify information included on a T4 slip	<ul style="list-style-type: none">• Demonstrate comprehension of the gist and factual details in a simple text about taxes• Describe how advertising affects consumer choices• Participate in a small group/class discussion about services supported by taxes at different government levels• Identify factual details in a web-based formatted text• Give a short oral presentation about a selected social assistance program available through personal income tax• Calculate personal income tax using different rates

When planning a lesson or series of lessons, you can use the listed outcomes as they are or develop your own based on the needs and interests of the learners in your class. For ideas and strategies for conducting a needs assessment, see the *Instructor Guide*.

Background Information and Key Language Elements

You can use the background information about taxes to familiarize yourself with the key concepts and terms that are presented in the learner activities in this section. For sources of more information on the topic of taxes or related classroom resources, please see the Useful Websites section.

The sidebar below lists major language elements that you may want to introduce or review to support the thematic content of the activities.

Canada's Taxation System

In Canada, each level of government—municipal, provincial or territorial, and federal—has the power to levy taxes. Municipal taxes are typically levied on real property and may be assessed based on the appraised market value of the property. Property taxes are the main source of revenue for most municipalities in Canada. Provincial and territorial taxes may include income tax, health care tax and sales tax. Federal taxes include income tax, Canada Pension Plan contributions and Employment Insurance contributions. Other, less visible federal taxes include import duties and taxes on liquor, cigarettes, entertainment, automobiles and gasoline. Governments at all three levels depend on taxation to pay for the services they are responsible for providing. Newcomers are usually interested in learning about the responsibilities of each level of government and will likely want to know how taxes are spent.

Harmonized Sales Tax (HST)

Newcomers quickly become familiar with sales taxes as they shop and pay for goods and services. Provincial sales tax varies from province to province. In Ontario, the combined federal and provincial sales tax rate (Harmonized Sales Tax, or HST) is 13 percent. The Government of Ontario receives 8 percent of the HST while the federal government receives 5 percent. HST is charged on most goods and services with some exceptions, such as basic food items and prescription drugs. Sales taxes are complex, as some goods and services are exempt only from the federal portion or only from the provincial portion. It is important that newcomers understand when and how much sales tax they will pay, especially when planning for big-ticket purchases.

Income Tax Deductions

Income tax is levied at both the federal and provincial levels. Usually, both income taxes are deducted each pay period by the employer and appear as a single deduction on the employee's pay stub or statement of earnings. The amount of income tax deducted is determined by the total earnings reported for the pay period. Self-employed individuals must pay income tax either annually when they file a tax return, or in installments throughout the year. Annual earnings of less than the personal amounts set by the government each year are exempt from income tax.

Filing a Tax Return

Newcomers may not know that they need to file a tax return for the part of the tax year following their arrival in Canada. Furthermore, newcomers should understand that paying taxes, particularly income tax, is considered a responsibility of all residents of Canada and a demonstration of good citizenship values. Filing an income tax return in Canada is a matter of voluntary compliance. Citizens and all people who are deemed to be residents for income tax purposes are required to file a tax return if they owe income tax or if they want to receive a refund. In addition, anyone who wishes to receive credits or payments, such as the GST/HST (Goods and Services Tax/Harmonized Sales Tax) credit, Canada Child Tax Benefit payments and provincial or territorial tax credits, must file a tax return. Failure to pay taxes can result in penalties and interest charges on the amount owing, or even a jail sentence. Free income tax clinics staffed by professional volunteers are available to newcomers through community agencies. To prepare a tax return, one must have a social insurance number and all required documents, such as Statements of Earnings for the tax year, as well as receipts for all credits to be claimed.

Key vocabulary and collocations

tax credit
tax deduction
tax rate
taxable income
excise tax
consumption tax
commodity tax
property tax
income tax
tax return
to levy tax
to impose tax
to file a tax return
voluntary
compliance
tax evasion
refund
transfer payments

Abbreviations

CPP
EI
CCTB
GST, PST, HST
CRA

Possible grammar structures

passive voice to describe how tax dollars are spent or how income tax is calculated
conditional sentences to describe consequences in different situations
adjective clauses to define specific terms related to taxes

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with some of the key vocabulary and concepts related to the Canadian tax system, types of taxes and filing an income tax return. The activities provide practice in vocabulary use, reading, writing, listening and speaking, and are generally appropriate for learners at CLB 3 to 5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Understand why and how taxes are collected and spent
- Identify specific services supported by taxes at different levels of government
- Understand how sales taxes work
- Identify goods and services taxed with HST and GST

Corresponding CLB competencies

🗣️ CLB 3, 4: Understand simple (CLB 3) short descriptive communication.

📖 CLB 3–5: Get information from short (CLB 3, 4) and simple to moderately complex (CLB 5) business or service texts.

📖 CLB 5: Access and locate basic information from online reference sources.

Procedures

A. This short warm-up introduces the concept of various taxes, their sources and how the tax dollars are spent.

B. This Q&A text is appropriate for CLB 3 learners. It provides general information about taxes in Canada. Have learners read the text and explain unfamiliar words. Point to common collocations such as *pay tax*, *collect tax*, *income tax*, *the CRA*, *tax rate*, *etc.*

C. Learners can quiz each other in pairs rather than work individually.

Answers

1. T 2. F 3. F 4. F 5. T 6. T 7. T 8. F 9. T 10. T

D. This exercise is another form of comprehension check; it also gives learners an opportunity to use some of the expressions/collocations.

Answers:

1. collect taxes
2. income tax
3. individuals, corporations
4. income, property, shopping
5. tax rates
6. CRA
7. answers may vary
8. levels of government
9. by law

G. This is a listening comprehension activity suitable for learners at CLB 3–5. First, ask learners what it is, what information is presented and what they think they will hear. Play the recording until all learners get their answers. Make sure that learners write only the numbers for billions (e.g., *113.5* for \$113.5 billion). Take up the answers as a class. Alternatively, you could photocopy the text of the transcript and delete the numbers—learners would fill them in while listening.

🔊 Transcript

1. The Government of Canada has published income tax statistics from the year 2010–2011. The total amount collected was \$113.5 billion dollars. Forty-eight percent of government money came from personal income tax.
2. The federal government also collected about \$30 billion dollars in corporate income taxes. That works out to 13 percent of the total taxes collected.
3. More tax dollars came from the goods and services and harmonized sales taxes (GST/HST): These taxes represented 12 percent of all tax money. The total amount collected was \$28.4 billion dollars.
4. The final 27 percent of the government's money came from other taxes. Money also comes from other sources, such as fines. The total amount was \$65.2 billion dollars. Altogether, the Canadian government collected \$237.1 billion tax dollars.

H. In this activity, learners decide what level of government funds the services. Ask learners to make sentences; you can introduce other ways to express the information (e.g., passive voice—*National parks are funded by the federal government*). Learners can also group the services by level of government (three groups).

I. This is an information gap activity reinforcing what was learned in Part H. It is suitable for CLB 3 and 4. Review the questions before the activity and monitor accuracy. As a follow-up, learners can interview each other about services they have used before or commonly use.

J. This text presents information about sales taxes in Canada. You can introduce the topic by asking questions about sales taxes in other countries or asking about things that are taxed here, in Canada. Learners can answer the questions in pairs.

K. This research activity is based on the tables provided at: www.fn.gov.on.ca > English > taxes and charges > Harmonized Sales Tax > *What's Taxable Under the HST and What's Not?*. Learners scan the table to find the items listed. Note that each list represents a different level of difficulty, where List A is suitable for CLB 3 learners (items are listed as they appear on the website, in the same order), while List B and List C are suitable for CLB 4–5 (items are worded differently, e.g., *cup of coffee in a coffee shop* rather than *meal in a restaurant under \$4*). Learners can work independently or in pairs, then come together to discuss findings. Grammar focus is on modal verbs *have to/don't have to*. Before or after the activity, compare examples of various receipts to see how the tax charges are shown.

Extend the activity:

1. Learners can make a list of common items/services they buy and predict the taxes paid. Then they can check the information on the government website.
2. Learners can search the Internet for information about taxes in other provinces and territories in Canada.

A. In small groups, discuss the following questions.

1. In the country where you are from, do people have to pay taxes?
2. What do they pay taxes on (e.g., property, gas, etc.)?
3. When do people pay taxes in Canada (e.g., when they work, buy a house, eat out)? Make a list.
4. Do you think taxes in Canada are high, low or just right? Why?
5. How do you think the Canadian government spends the collected taxes?

B. Read the text.

TAX BASICS	
<p>1. Why do Canadians pay tax? Canadians enjoy many benefits and services. Taxes make it possible for the government to provide these benefits and services.</p> <p>2. What is the history of taxes in Canada? The first tax was on beaver fur exports and income tax was introduced in 1917.</p> <p>3. Who pays tax and how much? Individuals and corporations pay tax. Tax rates in Canada are lower than in many other developed countries.</p> <p>4. Who collects tax? All three levels of government collect tax – federal, provincial and municipal. The Canada Revenue Agency (CRA) collects federal taxes. The website is: www.cra.gc.ca.</p> <p>5. What does the government put taxes on? The government taxes your income, property and many things and services you buy.</p>	<p>6. What do taxes pay for? Taxes pay for such things as:</p> <ul style="list-style-type: none"> • roads • public utilities (e.g., electricity) • education • healthcare • economic development • cultural activities • national defence • law enforcement • other programs and services that help lower-income families, students, seniors and people with disabilities <p>7. Do people have to pay taxes by law? Yes. Taxpayers who cannot pay their taxes can ask for help.</p> <p>8. What happens if you do not pay your taxes? You can get a fine, lose your business, lose your home and even get imprisoned.</p>

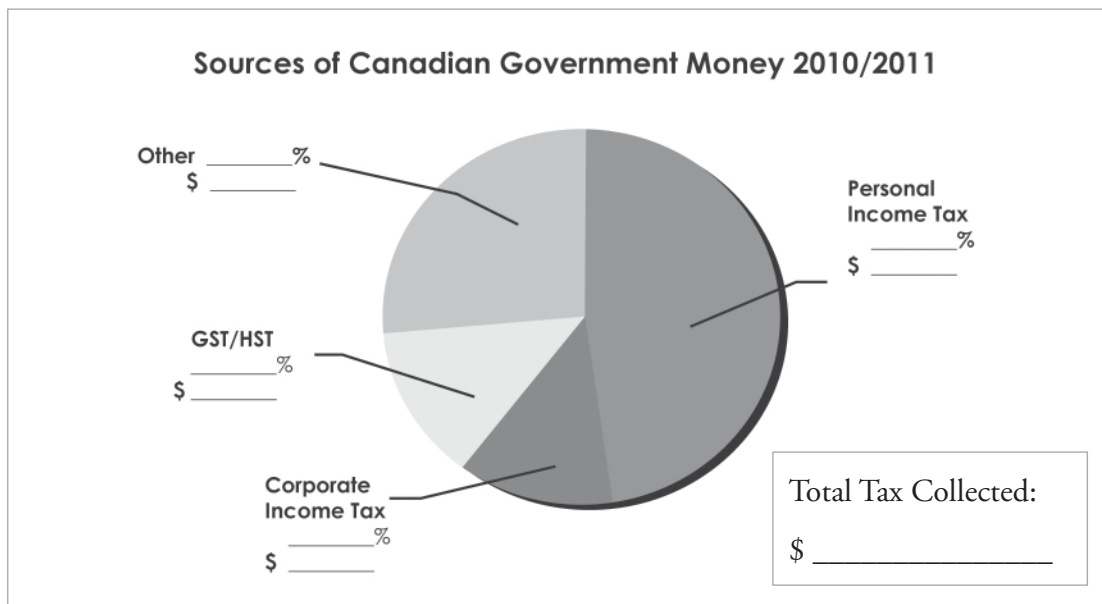
C. Write T if the statement is true, or F if the statement is false.

1. The government collects taxes in order to pay for services and benefits _____
2. Income tax started in Canada in 1817. _____
3. The first tax in Canadian history was for exporting beavers. _____
4. Only the federal and provincial governments can collect taxes. _____
5. You pay taxes if you own a home or work. _____
6. You must pay tax on all things and services you buy. _____
7. Your tax money pays for services such as roads, schools and hospitals. _____
8. Tax money helps families with higher incomes. _____
9. If you cannot pay your taxes, you can ask the government for a special fine. _____
10. You can go to jail for not paying taxes. _____

D. Complete the sentences with information from the text.

1. The government _____ to pay for many benefits and services.
2. The _____ was first introduced in Canada in 1917.
3. Both _____ and _____ pay tax.
4. People in Canada pay taxes on _____, _____ and _____.
5. Many countries have higher _____ than Canada.
6. The _____ collects federal tax.
7. Some of the services funded by taxes are _____ and _____.
8. All three _____ collect taxes.
9. People have to pay taxes _____.

G. Listen and complete the pie chart.



Adapted from *Department of Finance Canada: Your Tax Dollar 2010/2011 Fiscal Year*.

H. Read some of the benefits and services that the government provides. With a partner, decide which level of government pays for each of the services. Add other services funded by the government to the list.



libraries	national defence	health care
city parks and playgrounds	public pensions	roads
public transportation	water and sewers	environment
Canada Child Tax Benefit	emergency services	education
garbage and recycling	national parks	police services

I. Student A

Part 1. Ask your partner questions to find out which level of government pays for the services. Write F (Federal), P (Provincial/Territorial) or M (Municipal) next to each service.

Example: Q: *Which level of government pays for national parks?*

A: *The federal government pays for national parks.*

National parks	F	Roads and highways	
Emergency services	M	Environment	
City parks and playgrounds	M	Garbage and recycling	
Public pensions	F	Police services	
Social services	P/M	Health care	
Public transportation	M	libraries	
Canada Child Tax Benefit	F	education	

Part 2. Answer your partner's questions.

**I. Student B**

Part 1. Answer your partner's questions. Use the table below.

national parks		roads and highways	P
emergency services		environment	F
city parks and playgrounds		garbage and recycling	M
public pensions		police services	F/P/M
social services		health care	F
public transportation		libraries	M
Canada Child Tax Benefit		education	P

Part 2. Ask your partner questions to find out which level of government pays for the services. Write F (Federal), P (Provincial/Territorial) or M (Municipal) next to each service.

Example: Q: *Which level of government pays for/funds national parks?*

A: *The federal government funds national parks.*

J. ⓘ Read the background information about sales taxes in Canada. Search the Internet and find the answers to the questions below.

Suggested Internet search terms: *sales taxes in Canada; HST and PST in Canada*

SALES TAXES IN CANADA

In Canada, there are three types of sales taxes:

- Goods and Services Tax (GST), a value-added tax levied by the federal government. Its rate is 5 percent and it is paid in all provinces.
- Provincial Sales Tax (PST), levied by provinces. This tax differs from province to province. For example, PST in Nova Scotia is 10 percent while in Saskatchewan it's 5 percent and in Ontario, 8 percent.
- Harmonized Sales Tax (HST), the combined value-added tax that is a combination of GST and PST. It is used in five provinces. HST is collected by the Canada Revenue Agency and then the appropriate amounts are remitted to the participating provinces.

GST, PST and HST are all value-added taxes, which means they are added to the price of the product or service at the point of sale. Depending on the province, different goods and different services are taxed. Every province except for Alberta has implemented either PST or HST. Also, the territories of Nunavut, Northwest Territories and Yukon collect only GST.

Glossary:


to levy tax—to impose, to collect tax (e.g., as done by government)

to remit—to send in payment

to implement—to put into effect

1. Which provinces levy PST? What are the rates?
2. Which provinces levy HST? What are the rates?
3. Which provinces have the highest sales taxes? Which ones have the lowest sales taxes?

K. ⓘ Search the Ontario Ministry of Finance website (go to: www.fin.gov.on.ca > English > taxes and charges > Harmonized Sales Tax > *What's Taxable Under the HST and What's Not?*) and find the sales tax rate for each of the items on the list. Share the results with the class.



LIST A	
Item:	Tax:
children's clothes	
milk, bread, fruit	
cable TV	
newspapers	
car insurance	

**LIST B**

Item:	Tax:
physiotherapy treatment	
over-the-counter cold medication	
dinner in a restaurant	
chips and chocolate	
diapers	
manicure and pedicure	
new home in a suburb	
car tires	
cell phone services	
plane ticket Toronto–Calgary–Toronto	

**LIST C**

Item:	Tax:
real estate agent commission	
driver's licence renewal	
antibiotic prescribed by a family doctor	
cup of coffee in a coffee shop	
haircut	
campsite fee in a provincial park	
tickets to the movie theatre	
children's shoes	
weekly magazine subscription	
used car (private sale)	

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with some of the key vocabulary and concepts related to personal income tax in Canada and filing an income tax return. The activities provide practice in vocabulary use, reading, writing, listening and speaking, and are generally appropriate for learners at CLB 3 to 5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Understand what personal income tax is and how it is collected
- Recognize when and how to file a personal tax return
- Identify documents needed for filing a tax return
- Identify information included on T4 slip

Corresponding CLB competencies

- 🗣️ CLB 3, 4: Understand simple (CLB 3) short descriptive communication.
- 📖 CLB 3–5: Get information from short (CLB 3, 4) and simple to moderately complex (CLB 5) business or service texts.
- 📖 CLB 5: Access and locate basic information from online reference sources.
- ✍️ CLB 3, 4: Complete simple forms that require basic personal information and some responses to simple questions.

Procedures

A. This text is an adapted brochure and provides basic information about filing an income tax return. Before reading the text, introduce the topic by asking these questions: *Is there income tax in the country you came from? What are the rates? How is it collected? Have you filed an income tax return in Canada? Share your experience. If you work (or have worked) in Canada, what documents needed for filing income tax did you receive?*

Ask learners to read the text and explain unfamiliar vocabulary, then proceed to vocabulary practice B. You can also ask comprehension questions about the gist and specific details in the text.

B. Answers:

1.f 2.d 3.g 4.j 5.h 6.e 7.b 8.a 9.c 10.i

C. Answers:

1. F 2. F 3.T 4. F 5. F 6. T 7. F 8. T 9. F 10. T 11. T 12. F

D. Learners at CLB 3 may need to locate the answers in the text. Have learners at CLB 4–5 answer the questions without looking at the text. Learners can then write their own questions and quiz each other in pairs.

Answers will vary.

E. This activity provides information about T4 slips. Elicit/explain the terms: *gross income, net income, employment income, earnings, remuneration, deduction*, etc. You may also present a sample pay stub (see Employment theme) and point to those terms to illustrate the concepts. Learners at CLB 3 can answer questions in pairs. Alternatively, they can answer questions individually and quiz each other in pairs using the provided and own questions.

🔊 Transcript

Hi. My name is Marina. In February, I got a T4 slip in the mail from my employer. I need it to file my income tax return by midnight on April 30th. The T4 slip has information that the government needs about my gross earnings and the total income tax that I paid. This T4 slip is for all my earnings and deductions in 2012. The top part of the T4 slip shows my employer's name—the University of Ottawa, where I work as a computer technician. Every T4 slip has numbered boxes. Box 12 is for my SIN. Box 14 shows my gross earnings for the year. I made \$36,137.50. Box 22 shows the total amount of income tax my employer deducted. I paid \$7,650 dollars last year. The T4 slip has a lot of other important information, but you get the idea. I need to copy the information from each box onto the correct line on the tax return form. When I finish, I will know if I owe money to the CRA, or if the CRA owes me money. I hope I get a tax refund! If I do, I'll put it aside for my retirement or to buy my own home.

F. This activity provides practice in using vocabulary such as taxable income, earnings, deductions, etc. and is appropriate for learners at CLB 3–4. Learners need to complete all the information missing in the table. Elicit/provide practice in formulating questions; provide models if needed.

Suggestions: What was Marina's employment income? How much does Marina make? / What was her business income? / What were her business expenses? How much did she pay for business expenses? / What was her taxable income? How much was her taxable income? / What was her tax rate? / How much did she have to pay in income tax?

Extend the activity: Ask learners to compare employment earnings and income tax rates; they can make statements about it, e.g., *Security guards earn less than dentists. / A higher taxable income means you pay a higher tax rate. / You have to add business income to your taxable income. / You can deduct business expenses from your taxable income.*

G. This quiz can be used as a revision of the topic or as an introduction to the next series of activities (*CALCULATING INCOME TAX*).

Answers: 1.c 2.b 3.b 4.a 5.c 6.c 7.b 8.a 9.c 10.a

H. This research activity is appropriate for learners at CLB 4–5. You can also use it as an independent learning assignment. Have learners bring in the result for an in-class discussion. You can also ask learners to research the occupation of their choice to find the potential earnings, then research the income tax rate.

Beyond the classroom: Have learners locate and skim an income tax return form to familiarize themselves with the language used, the related concepts and the process of filing.

A. Read the brochure about income tax in Canada.**PAYING INCOME TAX**

Almost half of all the taxes that the Canadian government collects consists of personal income tax. It helps to pay for education, health care, social programs, airports, highways, pensions and more.

What is income tax?

Residents of Canada pay income tax on their earnings. Taxable income can be from a job, tips, rental property, retirement savings and more. The government doesn't tax money you won in a lottery in Canada or received as a gift. Income tax goes to the federal and provincial governments.

How much income tax do you have to pay?

The amount of income tax you pay depends on your earnings. People with lower incomes pay less income tax than people with higher incomes.

How does income tax work for people who have a job?

Your employer deducts income tax from your earnings and gives this money to the government. In February, your employer sends a form to you. It shows your total earnings and tax payments for the previous year. This form is called a T4 slip. You need your T4 slip when you report your income to the Canada Revenue Agency (CRA).

How does income tax work for people with no job or no income?

People who do not work may still have income. For example, people on social assistance get monthly payments from the government. Retired people get a government pension. In each case, you get a tax slip showing your total earnings. If you have no income, you should still report this to the government because you may get tax credits. For example, families with children can get a monthly payment called the Canada Child Tax Benefit.

How do you report your income to the government?

You need to file a tax return. The deadline to file is midnight on April 30th each year. Many people who file a tax return get a tax refund because they paid too much tax. If you file your tax return late and you owe the government money, the government will charge you interest. Not paying your taxes is called tax evasion. You can get a fine or even be imprisoned for tax evasion.

How do you file a tax return?

First-timers need an income tax package. This package has all the forms to file an income tax return. You need to mail it to the Canada Revenue Agency, or CRA. After the first time, you can choose to file by mail or online using NETFILE.

What do you need to complete an income tax return?

You need your social insurance number and any slips that you may have, such as a T4 slip. It is also important to keep tax receipts for public transit passes, daycare expenses, prescription drugs, retirement savings and more. You will need them to claim any deductions, and, as a result, to pay less tax.

Where can you get help?

Many people pay an accountant to prepare and file their income tax return. For people who cannot afford to pay for this service, the Community Volunteer Income Tax Program runs free tax clinics between February and April each year. They can help you file your tax return.

B. Match the words and their definitions. Underline the words in the brochure.

- | | |
|-------------------------------|---|
| 1. _____ earnings | a. money that the government pays back to you when you paid too much income tax |
| 2. _____ income tax | b. a place where you can get help with your taxes |
| 3. _____ taxable income | c. not paying income tax that you owe the government |
| 4. _____ to deduct | d. a type of tax you pay on your earnings/income |
| 5. _____ T4 form | e. earnings and other income that the government can tax |
| 6. _____ to file a tax return | f. money you get from a job (e.g., a salary, tips, commission) |
| 7. _____ tax clinic | g. to subtract or take away |
| 8. _____ tax refund | h. to complete and send an income tax form to the CRA |
| 9. _____ tax evasion | i. cash payments made by the government to refund the tax paid (e.g., GST/HST credit) |
| 10. _____ tax credit | j. a form from your employer showing your total earnings and tax payments |

C. Read the statements below and decide whether they are True or False. Correct the statements that are false.

1. The Canadian government collects a small amount of money from personal income tax. _____
2. The government can only tax your job earnings. _____
3. Lottery winnings and gifts of money are not taxable income. _____
4. All residents of Canada pay the same amount of tax. _____
5. Employers send T4 slips to the CRA. _____
6. People with no or low income should file a tax return to get tax credits. _____
7. It is not common to get a tax refund from the government. _____
8. Tax evasion is against the law. _____
9. You can use NETFILE the first time you file an income tax return. _____
10. You should keep your T4 and other slips together in a safe place. _____
11. People who buy bus passes or have children in daycare can pay less tax. _____
12. Tax clinics charge a fee to help you with your tax return. _____

D. Complete the sentences about income tax.

1. Taxable income can come from ...
2. In Canada, people with higher incomes
3. A T4 form shows...
4. It is important to file an income tax return because...
5. The first time you file an income tax return...
6. To file an income tax return, you need...
7. Examples of tax receipts that can help you pay less tax are...
8. When you need help with your income tax return...

E. 🎧 Read the form below and listen to Marina. Write the missing information in the form and answer the questions below.

Employer's name	Canada Revenue Agency	T4 Statement of Remuneration Paid
	Year <input style="width: 100px;" type="text"/>	
	Employment Income – line 101	Income tax deducted – line 437
12 Social Insurance Number XXX XXX XXX	14 <input style="width: 150px;" type="text"/>	22 <input style="width: 150px;" type="text"/>
Employee's name and address		
Last name HAFIZ	First name MARINA	<i>More information here</i>

1. What is the name of this form and who issues it?
2. Where is the form sent?
3. How is this form organized?
4. Where is the information from the form entered?
5. What was Marina's gross employment income? Where does she copy the amount?
6. How much income tax did she pay? Where does she copy the amount?
7. What does Marina hope to get?
8. What will she do with the money?

F. STUDENT A

Ask your partner questions to find the missing information in your table. Then, answer the questions your partner asks you.

Name	Occupation	Employment Income	Business Income	Business Expenses	Taxable Income	Tax Rate	Total Income Tax
Rose	security guard	\$33,000		none		25%	\$8,250
Boris	software engineer		none		\$116,000		
Sami		\$61,000		none		40%	\$30,000
Mina	nurse		none		\$46,000		
Wen		none		\$28,000		45%	\$51,300

Example: Q: What does Rose do?

A: She is a security guard.

**F. STUDENT B.**

Answer the questions your partner asks you. Then, ask your partner questions to find the missing information in your table.

Name	Occupation	Employment Income	Business Income	Business Expenses	Taxable Income	Tax Rate	Total Income Tax
Rose	security guard	\$33,000	none		\$33,000		
Boris		\$116,000		none		45%	\$52,200
Sami	electrician		\$14,000		\$75,000		
Mina		\$46,000		none		30%	\$13,800
Wen	dentist		\$142,000		\$114,000		

Example: Q: What does Rose do?

A: She is a security guard.

G. Take the quiz to see how much you know about Canadian income tax.

CANADIAN INCOME TAX QUIZ		
1.	You must pay _____ tax on the income you earn.	
	a. federal	b. provincial c. both a and b
2.	Your employer takes money from your _____ and sends it to the government.	
	a. savings	b. pay c. pension
3.	You report the income that you earn to the _____.	
	a. Department of Finance	b. Canada Revenue Agency c. Bank of Canada
4.	You report your income by filing a _____.	
	a. tax return	b. tax refund c. tax record
5.	You report your income to the government once a year by the end of _____.	
	a. February	b. March c. April
6.	Your employer gives you a _____ showing all the tax that you paid.	
	a. tax return	b. tax refund c. T4 slip
7.	The amount of income tax you pay depends on _____.	
	a. your age	b. your earnings c. your savings
8.	You do not have to pay tax on certain types of income, such as _____.	
	a. lottery winnings	b. tips c. cash income
9.	In order to complete your income tax return, you need your _____.	
	a. bank account number	b. employee I.D. c. SIN number
10.	People with low income who need help with their taxes can attend free _____.	
	a. tax clinics	b. tax refunds c. tax returns

H.  Access the Canada Revenue Agency website and find the following information:

- **The federal and provincial tax rates for this year** (see *Links for Individuals*, search for *All Rates* in the list of topics)
- **The location and date of the Volunteer Tax Preparation Clinics near you** (see *Links for Individuals*, search for *Community volunteer tax program* in the list of topics)

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with some of the key vocabulary and concepts related to personal income tax in Canada and filing an income tax return. The activities provide practice in vocabulary use, reading, writing, listening and speaking, and are generally appropriate for learners at CLB 3 to 5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Understand how personal income tax is applied at federal and provincial/territorial levels
- Calculate personal income tax at different rates

Corresponding CLB competencies

- 🔗 CLB 3–5: Understand simple (CLB 3) short descriptive communication (CLB 4); understand information on familiar topics (CLB 5).
- 📖 CLB 3–5: Get information from short (CLB 3, 4) and simple to moderately complex (CLB 5) business or service texts.
- 📖 CLB 5: Access and locate basic information from online reference sources.

Procedures

A. Introduce the topic with a short discussion using the provided questions. Ask learners to compare income tax rates in other countries to those in Canada.

B. Have learners skim the table and answer general comprehension questions (e.g., *What does the table represent?*). Have learners read the text carefully, and walk them through the calculations of Mona's income tax, first federal, then provincial. Add both amounts to get the total income tax amount.

Answers:

1. Lina pays 5.05% on the first \$39,020 that she makes. She also pays 9.15% on the part of her income that is over \$39,020 ($\$52,600 - \$39,020 = \$13,580$). Lina's provincial income tax is 5.05% of \$39,020 + 9.15% of \$13,590.

2. Wen pays 15% on the first \$42,707 he makes. He also pays 22% on the next \$42,707 he makes. He also pays 26% on the part of his income over \$85,414 ($\$90,670 - \$85,414 = \$5,256$). Wen's federal income tax is 15% of \$42,707 + 22% of \$42,707 + 26% of \$5,256.

Extend this activity: Learners can research income for the occupation of their choice and calculate the total income tax using the provided rates.

C. Ask learners to write six to eight sentences using first conditional. The sentences can use *if* or *unless*. Have learners share their sentences in pairs or small groups.

D. This listening comprehension provides information about various tax credits and deductions through a dialogue. Have learners listen first. Then ask them to read the questions and listen again. Take up as a class. For learners at lower CLB levels, play each part of the dialogue separately and take up the answers afterward.

E. This is a comprehension check activity, with open-ended questions. You can use it as is with CLB 3–4 learners; learners can write their answers. Learners at CLB 5 can take notes during the listening and report back the most important details.

Calculating Personal Income Tax

Transcript

Part 1

- A: Hello, Jasmine. How can I help you today?
- B: I need to file my tax return soon. I'm confused about tax deductions and tax credits. Can you explain them to me?
- B: A lot of people confuse tax deductions and tax credits. Well, let's start with deductions. Tax deductions lower your total taxable income. When your taxable income is less, your taxes will be less.
- A: Can you give me an example of a tax deduction?
- B: Yes, for example, many Canadians deduct the amounts they save for their retirement in RRSPs.
- A: I don't have any retirement savings. Can I deduct anything else?
- B: Yes. You have a young daughter, so you can deduct your daycare expenses.
- A: I see. So, I subtract those costs from my total income?
- B: That's right.

Part 2

- A: What about tax credits?
- B: Tax credits don't change your taxable income. They lower the amount of tax you have to pay because the amount of the tax credit is subtracted from the amount of tax to pay. There are two types of tax credits: refundable and non-refundable.
- A: What's the difference between them?
- B: Non-refundable means you can't get any cash payment when you use the tax credit.
- A: Can you give me an example of a non-refundable tax credit?
- B: Sure. You take the bus every day, right? Well, there's a Public Transit tax credit.
- A: Really? How does that work?
- B: Well, for example, if you spend \$1,000 a year on bus passes, you can get a tax credit for 15 percent of the total you spend. That means the government will subtract \$150 from the tax money you owe.
- A: What if I don't owe any money?
- B: Then unfortunately, the government will not give you the cash refund for \$150.

Part 3

- A: What about refundable tax credits?
- B: Refundable tax credits are cash payments from the government to tax payers who qualify.
- A: Do you mean the government will give me money?
- B: That's right. For example, many people get the GST/HST tax credit. The Ontario government sends you a cheque four times a year to refund the sales tax you paid.
- A: Can everyone get this?
- B: No. You have to qualify—it depends on your income.
- A: Do all refundable tax credits depend on your income?
- B: Most, but not all. The government gives the Universal Child Care Benefit to all families in Canada with children under the age of six. Families receive \$100 a month for each child.
- A: That's great. Is it tax-free?
- B: No, the Universal Child Care Benefit is taxable income. You have to pay income tax on it.
- A: Really? It's more complicated than I thought.
- B: I know...Oh, and remember to keep tax receipts for any tax deductions or tax credits you claim on your income tax return. You may need to show them.
- A: Okay. Thanks for all the information.

F. This is a research activity that can be done in the classroom or as an independent learning assignment. Learners can read information on the CRA website (www.cra.gc.ca); they could also watch YouTube videos presenting each credit/deduction and read the accompanying transcripts (<http://www.youtube.com/user/CanRevAgency>).

A. Discuss the following questions in small groups.

1. Do you think people who earn more money should pay more tax? Why or why not?
2. Do you think *tax deductions* and tax credits increase or decrease the amount of tax you pay?
3. Have you filed an income tax return in Canada? If yes, describe your experience.

B. Read about the federal and provincial income tax rates. Then, calculate the total income tax for each person below.**INCOME TAX RATES IN CANADA**

The Canadian government uses a progressive tax rate system. This means the more money you make, the higher your tax rate is, and the more tax you pay. This is different from a flat tax rate system where people with different incomes pay the same tax rate. In Canada, you will pay different tax rates on different parts of your taxable income.

Federal Income Tax Rates (2012):

- 0% on income up to \$10,527
- 15% on the part of taxable income over \$10,527 to \$42,707, +
- 22% on the part of taxable income over \$42,707 up to \$85,414, +
- 26% on the part of taxable income over \$85,414 up to \$132,406, +
- 29% on taxable income over \$132,406

Provincial Income Tax Rates for Ontario (2012):

- 0% on income up to \$9,405
- 5.05% on the part of taxable income over \$9,405 to \$39,020, +
- 9.15% on the part of taxable income over \$39,020 up to \$78,043, +
- 11.16% on the part of taxable income over \$78,043 up to \$500,000, +
- 12.16% on taxable income over \$500,000

1. Lina

Lina's taxable income is \$52,600. She pays 15% of federal tax on \$42,707. She also pays 22% on the part of her income that is over \$42,707 ($\$52,600 - \$42,707 = \$9,893$). Lina's federal income tax is 15% of \$42,707 + 22% of \$9,893.

What is Lina's provincial tax? What is the total income tax that she pays?

2. Wen

Wen's taxable income is \$90,670.

What is Wen's total income tax? Explain how you calculate it.

C. Make sentences about the information in the table using conditional sentences.

Example: *If you make less than \$10,527, you don't have to pay any federal income tax.*

D. 🎧 Listen to the dialogue and circle the correct answers.**Part 1**

1. What is the topic of their discussion?
 - a. progressive tax rates
 - b. tax deductions and tax credits
2. What do tax deductions do?
 - a. lower your taxes
 - b. lower your taxable income
3. What can people deduct from their taxable income?
 - a. retirement income
 - b. retirement savings
4. What can Jasmine deduct?
 - a. retirement savings
 - b. childcare expenses

Part 2


5. What do tax credits do?
 - a. lower your taxes
 - b. lower your taxable income
6. What does non-refundable tax credit mean?
 - a. you can get a cash refund
 - b. you cannot get a cash refund
7. What is an example of a non-refundable tax credit?
 - a. Public Library tax credit
 - b. Public Transit tax credit
8. How much will the government subtract from the tax money you owe?
 - a. 50% of the amount you spend
 - b. 15% of the amount you spend

Part 3

9. What is a refundable tax credit?
 - a. you can get a cash refund
 - b. you cannot get a cash refund
10. What is an example of a refundable tax credit?
 - a. paying GST/HST sales tax
 - b. sales tax refund
11. Who can get this tax credit?
 - a. everyone
 - b. depends on income
12. How does the Universal Child Care Benefit (UCCB) work?
 - a. \$100 for each family
 - b. \$100 for each child under six
13. What is important to know about the UCCB?
 - a. it is considered taxable income
 - b. it is non-taxable
14. What do you need in order to claim tax deductions and tax credits?
 - a. tax returns
 - b. tax receipts

E. With a partner, answer the following questions.

1. What's the difference between a tax deduction and a tax credit?
2. What are two examples of tax deductions?
3. How does a tax credit work?
4. What is an example of a non-refundable tax credit?
5. What are two examples of refundable tax credits?
6. What do you need in order to claim tax deductions and non-refundable tax credits?

F.  Search the Internet for information about one of the tax credits below. Use the provided table to take notes. Present the information to the class.

- GST/HST tax credit
- Children's Arts Tax Credit
- Public Transit tax credit
- Children's Fitness Tax Credit
- Universal Child Care Benefit
- Canada Child Tax Benefit

Name of tax credit	
What is it for?	
Is it refundable?	
Who can get it?	
What is the maximum amount?	
Other information	

Retirement



The activities in this section explore the topic of retirement and its financial implications. The activities present background information on Canada's public pension system, employer pensions and RRSPs, and provide opportunities for learners to analyse and discuss planning for their own retirement.

The *Retirement* section includes two sets of activities:

Retirement Income

Canada's Public Pension Benefits

You can select activities to teach based on the needs and interest of the learners in your class. The activities can be used individually and need not be used in the sequence in which they are presented. You may also add your own activities where appropriate. Suggestions and ideas for extending or complementing the specific activities are included in the teaching notes.

You can complement the activities in this section with online activities at *English for Financial Literacy > Online Activities*.

The activities in this section relate to the following theme in *LINC 1-5 Curriculum Guidelines*:

- **Family and Relationships**

Learning Outcomes

The sample learning outcomes below can help you plan a lesson or series of lessons about retirement. The outcomes are intended to provide guidance in defining areas of content and contexts for the language instruction. The financial literacy outcomes can help you determine the aspects of financial literacy to include in your instruction in order to facilitate learners' understanding, knowledge and competence. The language outcomes can guide you in selecting and designing language activities at CLB 3-5 that support financial literacy.

The activities included in this section are intended to support the outcomes below.

Sample Financial Literacy Outcomes	Sample Language and Numeracy Outcomes
<p>Understanding and knowledge</p> <ul style="list-style-type: none">• Understand concepts related to retirement and different sources of seniors' income• Understand how Canada's public pension benefits work• Recognize how financial planning affects one's retirement <p>Application</p> <ul style="list-style-type: none">• Identify eligibility criteria for public pension benefits• Identify an RRSP plan and savings strategy appropriate for own needs	<ul style="list-style-type: none">• Participate in a small group/class discussion about financing one's retirement• Demonstrate comprehension of a text about government pension benefits• Take notes from a talk about Canada's public pension system• Locate information about government pension benefits on the Internet• Ask for and provide information about specific pension benefits such as eligibility criteria, average amounts, and ways to apply

When planning a lesson or series of lessons, you can use the listed outcomes as they are or develop your own based on the needs and interests of the learners in your class. For ideas and strategies for conducting a needs assessment, see the *Instructor Guide*.

Background Information and Key Language Elements

You can use the background information about retirement in Canada to familiarize yourself with the key financial concepts related to retirement that are presented in the learner activities in this section. For sources of more information on the topic of retirement or related classroom resources, please see the *Useful Websites* section.

The sidebar below lists major language elements that you may want to introduce or review to support the thematic content of the activities.

Retirement in Canada

Canada's public pension plan system comprises four separate benefits: *Canada Pension Plan (CPP)*, *Old Age Security (OAS)*, *Guaranteed Income Supplement (GIS)*, and *Allowance for the Survivor*. The eligibility criteria for each are different. The CPP is for Canadian citizens or legal residents who have worked in Canada and have made at least one payment to the plan. The earliest age at which one can receive benefits is 60, and payments are based on the total amount contributed. The OAS benefit is for Canadian citizens or legal residents who have lived in Canada for 10 years or more following their eighteenth birthday, and who are 65 or older. Many people receive more than one benefit—for instance, both the CPP and the OAS. The GIS is paid to those who receive OAS and have a low income. Allowance for the Survivor benefits are paid to spouses or common-law partners who are 60 to 64 years old and whose spouse or partner receives (or received, if deceased) the OAS.

The amounts payable under the public plan system are very modest, and newcomers need to know that all Canadians are encouraged to begin saving early for retirement. Many employers offer pension plans where both employees and the employer make regular contributions. The federal government encourages retirement savings through Registered Retirement Savings Plans (RRSPs), which offer the benefit of remaining untaxed until funds are withdrawn. The total amount that can be contributed is based on earnings and is revised each year. Funds in an RRSP may be invested in a variety of ways.

Key vocabulary and collocations

to retire
retirement
pension
eligibility
allowance
benefit
supplement
spouse
common-law
recipient
contribution
to contribute
investment
to invest
taxable income
beneficiary

Abbreviations

CPP
OAS
GIS
RRSP
GIC
PRB

Possible grammar structures

conditional
sentences to describe
consequences in
different situations

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with some of the key vocabulary and concepts related to retirement planning, government pensions and RRSPs. The activities provide practice in vocabulary use, reading, writing, listening and speaking, and are generally appropriate for learners at CLB 3 and 4.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Understand the sources of retirement income

Corresponding CLB competencies

🗣️ CLB 4: Ask for and give information ... related to common every day activities.

📖 CLB 4: Get information from simple and moderately complex business or service texts.

Procedures

A. This is a warm-up activity that prepares learners for the text that follows. Have learners look up the new vocabulary in dictionaries; learners can also write sentences with those words. They can discuss the questions in pairs or small groups and then as the whole class.

B and C. Have learners read the text; explain unknown vocabulary and concepts (e.g., RRSP). Then, they can quiz each other using the comprehension questions.

D and E. These two short activities provide another way to check learners' comprehension.

Answers:

Before: 1, 3, 4, 7 After: 2, 5, 6, 8

F. Learners can interview each other and then share and compare the gathered information in small groups.

A. Explain what the following words mean. Then, discuss the questions in small groups.

income	to retire	to invest	employee
source of income	retirement	investment	employer
pension	retired	benefit	savings

1. At what age do people retire in the country you come from? What is the source of their income?
2. At what age do people retire in Canada? What is the source of their income?

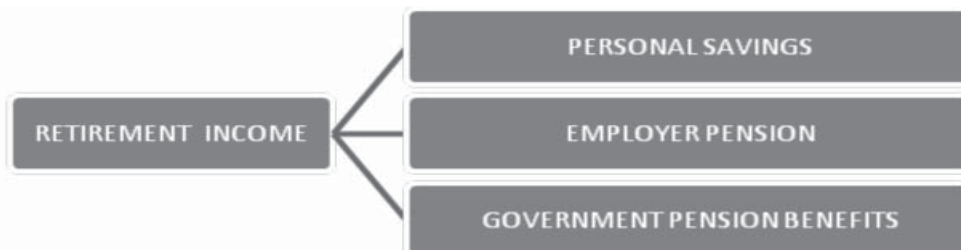
B. Read the text below.

Retirement income is the money retired people live on. The money usually comes from three sources: personal savings, government pensions, and employer pensions.

Many Canadians plan and save money for many years before they retire. Some people invest their savings into *Registered Retirement Savings Plans* (RRSPs). They withdraw the money after they retire. Some people invest their money in other ways. They live on the income from these investments. It is possible to lose money when you invest. You may also need to pay tax.

Some Canadians have a pension plan with their employer. They pay some money into the pension plan each payday. Some employers pay money into the pension plan for their employees. When workers retire, they get money every month from their employer pension plan.

Retired people also get pensions from the government of Canada. One government pension benefit is called the *Canada Pension Plan* (CPP). Workers pay some money into the *Canada Pension Plan* each payday. They get a monthly payment when they retire. Another government pension benefit is called *Old Age Security* (OAS). It gives a basic monthly pension to most residents of Canada who are 65 years or older.



C. Answer the questions.

What are the three main sources of retirement income?

What do many Canadians do before they retire?

What does RRSP mean?

How does an employer pension plan work?

What does CPP mean? Who can get it?

What does OAS mean? Who can get OAS?

D. Read the sentences. Then, rewrite them adding *before they retire* or *after they retire*.

Example: People get retirement income from their personal savings.

People get retirement income from personal savings after they retire.

1. People put their savings into RRSPs and investments.

2. Residents get OAS benefits from the government.

3. People work and plan their retirement.

4. Workers pay money to their employer's pension plan every payday.

5. Canadians get CPP benefits from the government.

6. Workers get money every month from their employer's pension plan.

7. Workers pay money to the CPP pension plan every payday.

8. People withdraw from their RRSPs and live on income from their investments.

E. Read the sentences and correct the errors. Check your answers with the text.

Most people in Canada retire when they are around fifty-five years old.

Retirement income can come from only one source.

Many people plan and save money for a couple of years before they retire.

In Canada, the government plans and saves money for people's retirement.

All workers have a pension plan with their employer.

A government pension benefit for all residents is called the Canada Pension Plan.

OAS is a type of employer pension plan.

You cannot lose any money when you invest in RRSPs and other investments.

F. Answer the questions about your retirement plan. Then interview your partner.

1. At what age do you plan to retire? Where do you want to live?

2. How much retirement income do you think you will need?

3. Do you have personal savings, an RRSP or other investments for retirement? Do you plan to have any of these?

4. Do you have an employer pension plan?

5. Will you get a pension from another country and/or from the government of Canada? Do you know how much money you may get?

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with some of the key vocabulary and concepts related to retirement planning, government pensions and RRSPs. The activities provide practice in vocabulary use, reading, writing, listening and speaking, and are generally appropriate for learners at CLB 3 to 5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Understand how government pension benefits work
- Identify eligibility criteria for specific pension benefits

Corresponding CLB competencies

- 🗣️ CLB 4: Understand short narrative communication on topics of personal relevance.
- 🗣️ CLB 4: Ask for and give information ... related to common everyday activities.
- 📖 CLB 4: Get information from simple and moderately complex business or service texts.

Procedures

A. This is a warm-up activity that prepares learners for the text that follows. Explain new vocabulary and concepts; learners can write own sentences for more practice. Discuss the questions as a whole class.

B. This text gives a short overview of government pension benefits. Learners can draw the meanings of the words from the context of the text or look them up in a dictionary.

Answers:

1. F 2. T 3. F 4. T 5. T 6. F 7. T 8. T

C. In this listening activity, learners identify eligibility criteria for different pension benefits.

Transcript

Pedro: Hi. My name is Pedro. I am a senior – I'm sixty-seven years old. I have lived in Canada for twenty-five years. I'm a Canadian citizen. I'm working right now and with each paycheque I pay CPP premiums. I hope to retire next year.

Paul: Hello. My name is Paul. I am a senior – I'm seventy-two years old. I am a permanent resident. I came to Canada twelve years ago. I never worked in Canada – I retired when I came here.

D. This information gap activity provides practice in asking and answering questions as well as saying dollar amounts.

You can follow up with a discussion of the following questions:

Do you think average benefit amounts are enough money to live on? Explain?

How can retired people get more income, if they need it?

A. Read the glossary. Then answer the questions below.

government benefit: a government benefit is money the government pays to people who need financial help

Parents get monthly Canada Child Tax Benefits.

Unemployed people get Employment Insurance Benefits (EI).

pension benefits: pension benefits are monthly payments for seniors and retired people made by the government

Seniors get pension benefits every month.

to be eligible: to qualify for; for example, getting pension benefits depends on your age or your income. When you are eligible for the benefit you can get it.

Old Age Security (OAS) is for people sixty-five years old and older. People are eligible for OAS benefits when they are sixty-five years old. They can get OAS benefits.

to apply for: to ask for; for example, a person fills out an application form and sends it to the government.

When I am sixty-five years old, I will apply for Old Age Security benefits.

to contribute: to put some of your own money into a pension

Pedro contributed to the Canada Pension Plan for 25 years.

survivors: family members who live after a person dies e.g., husband/wife or children

When Rudi died, his survivors were his wife and his son.

1. What are government benefits? Give examples.
2. Who can get government benefits?
3. What do you need to be eligible for pension benefits?
4. How can you apply for government benefits?
5. At what age do people retire in the country you come from?
6. What is the source of income for seniors in the country you come from?
7. What government benefits are available there ? Explain.



B. Look up the meanings of the words and expressions below. Then, read the text about government pension benefits and mark the statements that follow T (True) or F (False).

allowance	taxable income	deceased	cost of living	senior
income tax	common-law partner	non-resident	rule	disabled

GOVERNMENT PENSION BENEFITS

Government pension benefits are payments of money to seniors in Canada. There are five types of government pension benefits:

- Old Age Security (OAS)
- Canada Pension Plan (CPP)
- Guaranteed Income Supplement (GIS)
- Allowance and Allowance for the Survivor
- Post-Retirement Benefit (PRB)

You must be eligible for these benefits. Each benefit has different rules about who is eligible. You can be eligible for two or three benefits. Government benefits do not start automatically. You must apply for them. OAS and CPP pensions are taxable income, which means you will pay income tax on them.

The Old Age Security pension is for most people who live or have lived in Canada. OAS is payable at the age of 65 to people. To qualify for this pension as a resident of Canada, you need to live here for at least 10 years after the age of 18. To qualify as a non-resident living outside of Canada, you need to live in Canada for at least 20 years after the age of 18.

You can receive the Canada Pension Plan benefit when you retire or become disabled. The Canada Pension Plan may also pay benefits to your survivors after you die. To qualify for a benefit, you need to work in Canada and contribute to the Canada Pension Plan for a minimum period of time.

The Guaranteed Income Supplement is paid to those who receive OAS and have low income.

Allowance for the Survivor benefits are paid to spouses or common-law partners who are 60 to 64 years old and whose spouse or partner receives (or received, if deceased) the OAS.

The Post-Retirement Benefit is a new life-time benefit that increases your retirement income and goes up with increases in the cost of living. You can receive it even if you already receive a maximum pension from the CPP.

- 1.. Anyone who is a senior can receive government pension benefits. _____
2. Each pension benefit has different rules about its eligibility. _____
3. You can get pension benefits automatically when you turn 65. _____
4. You need to pay income tax on some pension benefits. _____
5. You can receive some pension benefits even if you don't live as a senior in Canada. _____
6. GIS means Guaranteed Income Security. _____
7. The survivors of deceased seniors who received government pensions may receive financial help from the government. _____
8. The government pension is supplemented by a special benefit that covers the costs of increases in the cost of living _____

C. 🎧 Listen to Pedro and Paul. Complete the questionnaire for each of them. Then, answer the questions below.

	PEDRO		PAUL	
	Yes	No	Yes	No
1. CPP benefits works and makes payments to CPP is a Canadian citizen or a legal resident lived in Canada for 10 years or more after his/her 18 th birthday is sixty years old (or older)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. OAS benefits is a Canadian citizen or a legal resident lived in Canada for 10 years or more after his/her 18 th birthday is sixty-five years old or older	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Which pension benefits is Pedro eligible for ? Explain.
2. Which pension benefits is Paul eligible for? Explain.

D. Information gap STUDENT A**Part 1**

Ask Student B questions to complete the table below.

Old Age Security Benefit Payment - Monthly Amounts

Type of benefit	Average amount (March 2012)
1. Old Age Security pension	_____
2. Guaranteed Income Supplement (GIS)	
a. Single	_____
b. Spouse/common law partner of someone who:	
- does not receive an OAS pension	_____
- receives an OAS pension	_____

Part 2

Answer Student B's questions about the table below.

Canada Pension Plan – Monthly Payment Amounts

Type of benefit	Average benefit (March 2012)
Retirement (at age 65)	\$528.92
Disability	\$842.98
Survivor – younger than 65	\$378.38
Survivor – 65 and older	\$308.80
Children of disabled contributors	\$224.62
Children of deceased contributors	\$224.62
Death (maximum one-time payment)	\$2,273.66

D. Information gap: STUDENT B**Part 1**

Answer Student A's questions about the table below.

Old Age Security Benefit Payment Amounts July – September 2012

Type of benefit	Average amount (March 2012)
1. Old Age Security pension	\$510.17
2. Guaranteed Income Supplement (GIS)	
a. Single	\$492.23
b. Spouse/common law partner of someone who:	
– does not receive an OAS pension	\$466.79
– receives an OAS pension	\$309.53

Part 2

Ask Student A questions to complete the table below.

Canada Pension Plan – Monthly Payment Amounts

Type of benefit	Average benefit (March 2012)
Retirement (at age 65)	
Disability	_____
Survivor – younger than 65	_____
Survivor – 65 and older	_____
Children of disabled contributors	_____
Children of deceased contributors	_____
Death (maximum one-time payment)	_____

Shopping



The activities in this section introduce the concepts of smart grocery shopping and online shopping. The activities provide practice of key terms and vocabulary items related to money saving strategies, shopping websites and online security.

The *Shopping* section includes four sets of activities:

Smart Grocery Shopping

At the Checkout

How to Shop Online

Safe Online Shopping

Online Shopping in Canada

You can select activities to teach based on the needs and interest of the learners in your class. The activities can be used individually and need not be used in the sequence in which they are presented. You may also add your own activities where appropriate. Suggestions and ideas for extending or complementing the specific activities are included in the teaching notes.

You can complement the activities in this section with online activities at *English for Financial Literacy > Online Activities*.

The activities in this section can be connected to the following theme in *LINC 1–5 Curriculum Guidelines*:

- **Commercial Services and Business**

Learning Outcomes

The sample outcomes below can help you in planning a lesson or series of lessons about smart shopping. The outcomes are intended to guide you in defining areas of content and contexts for the language instruction. The financial literacy outcomes can help you determine the aspects of financial literacy to include in your instruction in order to facilitate learners' understanding, knowledge and competence. The language outcomes can guide you in selecting/designing language activities at CLB 3–5 that support financial literacy.

The activities included in this section are intended to support the outcomes below.

Sample Financial Literacy Outcomes	Sample Language and Numeracy Outcomes
<p>Understanding and knowledge</p> <ul style="list-style-type: none">• Be aware of strategies and tools to save money when shopping• Be aware of consumer rights and responsibilities in shopping situations• Understand the key vocabulary and concepts involved in online shopping• Be aware of risks involved in shopping online (to money, identity and property)• Know how to protect personal and financial information online <p>Application</p> <ul style="list-style-type: none">• Identify shopping habits and strategies that can save money (e.g., in grocery shopping, shopping online)• Ask for information about specific details in a shopping situation, including product information, pricing, discounts, forms of payment• Identify own consumer rights and resolve disputes in everyday shopping situations• Discuss advantages and disadvantages of online shopping• Follow the steps to make a purchase online• Recognize security features of shopping websites	<ul style="list-style-type: none">• Get key information from texts with advice about shopping wisely• Identify factual details and implied meanings in conversations about shopping preferences• Demonstrate gist and factual details in listening texts about problems with price scans• Get gist and key information from texts explaining the common features of shopping websites• Follow instructions for making an online purchase• Locate and compare information in shopping websites• Ask for and give information about personal experiences with online shopping• Get key information from listening texts with advice about shopping online safely• Give opinions, agree and disagree in discussions and debates about online shopping• Calculate discounts, taxes, shipping charges and fees• Use unit pricing to calculate cost and compare brands and size

When planning a lesson or series of lessons, you can use the listed outcomes as they are or develop your own based on the needs and interests of the learners in your class. For ideas and strategies for conducting a needs assessment, the *Instructor Guide*.

Background Information and Key Language Elements

You can use the text below to familiarize yourself with the key concepts and processes in the topic of shopping that are presented in the learner activities in this section. For sources of more information on this topic or related classroom resources, please see the *Useful Websites* section.

The sidebar below lists major language elements that you may want to introduce or review to support the thematic content of the activities.

Grocery Shopping

Knowing how to get value for your money is an important financial literacy skill. While many newcomers are adept at comparison shopping and finding the best deals on everyday purchases such as groceries, they may miss out on savings opportunities due to their English language skills or a lack of knowledge about North American sales and marketing practices.

Learners need to understand the language of sales flyers and in-store signs, coupons, packaging and store policies. They also need to become aware of factors that encourage spending and impulse buying, such as product placement and store layout.

Online Shopping

Online shopping offers convenience, selection and easy price comparisons. It is possible for shoppers to get great deals online if they can identify reputable vendors and understand all the terms, conditions and additional fees, such as restocking fees or return shipping fees for returned items. Learners need to understand and weigh the advantages and disadvantages, even risks, of buying goods and services over the Internet.

Using comparison search engines is an easy way to find the best price on a particular brand name product, but it can be challenging to calculate the final cost in Canadian dollars when ordering from American or international vendors. Other important concepts to understand are frauds and scams. Learners need to be aware of common online sales scams and recognize the signs that a vendor may not be reputable.

Online Shopping Safety

An important online shopping concept is webpage security. Shoppers should always check for security features such as the closed padlock icon and the letter “s” following *http* (*https*), which indicates a secure webpage, before disclosing any personal or financial details. Understanding the vendor’s privacy policy can also protect personal information and reduce unsolicited emails.

Key vocabulary

brick-and-mortar store
bulk
to buy in bulk
currency conversion
coupon
coupon code
comparison shopping
discount
duty
e-commerce
feature
fine print
privacy policy
raincheck
returns policy
savvy
scanner
search engine
secure web page
shipping and handling fees
specials, to be on special
stock up
store policy
to do the math
unit pricing
vendor

Possible grammar structures

Complex sentences with *if* and *when* to show cause and effect

Objective(s) and CLB levels

The objective of this set of activities is to examine the strategies, habits and knowledge of savvy shoppers, including learners themselves, with a focus on getting value for money in the supermarket. The activities provide practice in reading, listening and speaking. These activities are intended for CLB 3 and 4.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Identify shopping habits and strategies that can save money in grocery shopping
- Be aware of saving strategies and tools such as coupons, advertised specials and multiple buys for grocery shopping

Corresponding CLB competencies

🗣️ CLB 3, 4: Ask for and give information about needs and feelings related to common everyday activities.

📖 CLB 3, 4: Get information from short business or service texts.

📖 CLB 5: Access information in online resources.

✂️ CLB 3, 4: Copy or record a range (CLB 3) or expanded range (CLB 4) of information from short texts for personal use.

Procedures

A. This warm-up activity encourages learners to draw on their own shopping habits and experiences and to exchange ideas in a group. You can have learners make lists of smart shopping strategies and present them to the class.

B. This quiz is an introduction to the article “Tips for Savvy Shoppers” in part E. Explain the word *savvy*. Explain that learners are not expected to know the answers, but that their experience and common sense will help them to guess the best responses. Ask learners to explain each answer and provide examples from their own experiences. You may need to teach or review complex sentences with *if* and *when* to show cause and effect, e.g., *When you are hungry, you buy more food. If you eat before you shop, you'll spend less.* The answers to the quiz are found in the text, with explanations and examples.

Possible answers:

1. No 2. Yes 3. Yes 4. No 5. No 6. Yes 7. No 8. No

Extend the activity for CLB 4 and CLB 5: Ask and answer questions with *if* and *when* about shopping, e.g., *What happens when you go shopping hungry? What should you do when you see an item on sale? If a sale item is sold out, what can you do?* Learners can write their own sentences and present them to the class.

C. The focus of this exercise is the vocabulary for the article in part E. To extend this activity, you can ask learners to write sentences with the targeted words.

Answers:

1. b 2. b 3. b 4. a 5. b 6. a 7. b 8. a

D. The purpose of this activity is to reinforce the vocabulary from part C. Learners can interview more than one person and share information in groups. Learners can also gather information about the whole class and draw conclusions, e.g., *Nobody in the class buys processed vegetables. Only three people shop with a shopping list.*

Smart Grocery Shopping

E. The article includes answers for the quiz from part B. Have learners scan the text and locate answers for each question. Then ask them to read again, paying attention to details. The questions under the text are intended for class or pair discussion.

For CLB 5 learners, you can ask comprehension questions about specific details in the text, e.g., *Why do you need to make a shopping list? What do you need to do if the scanner is wrong?*

F. The purpose of this activity is to have learners copy the most important information for their own use. They can use imperative forms in main tips and provide additional information in accompanying sentences. Learners can create posters with their tips.

G. ⓘ This can be used as an independent learning activity, where learners research information at home and bring the results of their research to share with the class. Most web pages present shopping tips in the form of a list of short sentences with some explanation. Learners can look for tips not mentioned in the article and summarize them.

Beyond the classroom

ⓘ As a follow-up independent work activity, or as a class excursion, learners can visit local supermarkets to look for some of the features described in the reading. Learners can prepare a list of questions/a checklist to follow and give feedback on. For example: *How is the store laid out? Are there examples of multiple buys? Are there limits on the quantity of sale items per customer or family? Are there unit pricing labels on the shelves? Are there items that appear to be on sale, but are really regular prices (often end-of-aisle displays)? Does the store display return and price policies?* Then, they can report their findings to the class.

A. Discuss the questions below in a small group. Share your group's answers with the class.

1. Are you a savvy supermarket shopper? Why?
2. Where do you shop to spend less money?
3. What do you do to save money on groceries?

B. With a partner, quiz each other on the statements below. Compare and explain your answers.**SAVVY SHOPPER QUIZ**

- | | | | |
|----|--|-----|----|
| 1. | The largest size of a product is always the best deal. | Yes | No |
| 2. | You need to shop for groceries after you eat a meal or snack, not when you are hungry. | Yes | No |
| 3. | When an item is on sale, it is good to buy as many as you can to save more money. | Yes | No |
| 4. | You must always pay the price you see on the cashier's scanner. | Yes | No |
| 5. | If the sale sign says, " 3 for \$5 ," you always need to buy 3 or more. | Yes | No |
| 6. | If the store doesn't have a sale item, or if it is sold out, you should try again the next week. | Yes | No |
| 7. | You don't need to write a shopping list if you have a good memory. | Yes | No |
| 8. | If you shop slowly and take your time in the supermarket, you will probably spend less money. | Yes | No |



C. For each sentence below, choose the right answer.

1. When you make a **good deal** _____
a) you have a good time shopping. b) you save money .
2. A savvy shopper will **stock up** on something when _____
a) she needs many of those items. b) this item is on sale.
3. A store can give you a **rain check** when _____
a) they have a sale and it is raining. b) they no longer have a sale item available; it is sold out.
4. An example of **processed foods** is _____
a) a can of vegetables and a box of cookies. b) a pint of strawberries and a tub of yogurt.
5. A **savvy shopper** is someone who _____
a) shops a lot. b) knows how and where to shop to save money.
6. **Unit pricing** gives information about prices of 100 g or 100 ml and _____
a) helps you compare product prices b) helps you see how much product is in each package
7. When something is **sold out** _____
a) the store is selling a lot of it. b) it is not in the store any more.
8. **Impulse buying** is when _____
a) you buy a thing you see but don't need. b) you buy a thing because you remember you need it.

D. Interview your partner using the questions below.

1. Are you an impulse buyer? Give an example of when you bought something on impulse.
2. Do you stock up on things on sale? What are they?
3. What processed foods do you buy? How often do you buy them? Why?
4. What is a good deal in a grocery store or supermarket? Give examples.
5. Do you shop with a shopping list? Why?
6. Do you always check prices scanned by the cashier? Why?

E. Read the article and answer the questions that follow.**Tips for Savvy Shoppers**

- Plan your shopping trip by checking store flyers or the Internet for sales. Look for coupons for products you buy regularly.
- Always write a shopping list before you leave home. Take the list with you and follow it in the store. This way you will control impulse buying—that is, picking up items you see but didn't plan to buy. And you won't need to go back to the store for items you forgot to buy. People who go to the supermarket several times a week usually spend more money each week than people who shop once a week.
- Don't shop when you're hungry or tired. Eat a meal or snack before go. Hungry shoppers usually buy more food, especially when they smell freshly baked bread or barbecued chicken in the store.
- Try to shop mostly around the perimeter (edges) of the store—this is where most supermarkets have fresh fruit and vegetables, meat, bread and dairy products. The middle aisles usually have the more expensive prepared and packaged foods.
- Be careful about sales on multiple items, such as “4 for \$7.00.” When they read a sign like this, most shoppers will take four or more of the sale item. It may be a good deal, but only if you will use four. Remember, you can usually choose to buy only one.
- Watch the scanner at the checkout. Mistakes sometimes happen with special or sale prices. Tell the cashier if you think the price on the scanner is not correct. Some large supermarkets will give you the item for free if the scanner price is wrong.
- Don't forget to ask for a rain check if a sale item is sold out. This means you can buy the item later for the sale price, even when the sale is over.
- Try to shop quickly. Use your shopping list and try to buy only the items on the list. People who shop slowly and look around in every aisle usually buy more and spend more.
- Check the unit pricing sign on the shelf to see if the largest size may be cheaper than the smallest size. Sometimes the smaller bottle or package is more expensive than the biggest bottle or package. The unit pricing tells you the price for 100 grams or 100 millilitres, so you can compare.
- Stock up when prices are low. If you see a great sale on something that you buy often, buy as many as you can.

1. Which tips or ideas in the reading do you use when you shop? Give examples.
2. Which ideas are new and you think you will try?
3. Are there any ideas that you will not try? Which ones? Why?

F. Summarize the tips and organize them from the most to the least useful. Compare and discuss your choices with a partner.**G. ⓘ Search the Internet for more grocery shopping tips and make a list of the additional tips not included in the article. Present your list to the class.**

Suggested search terms: *grocery shopping tips to save money* or *grocery shopping on a budget*

Objective(s) and CLB levels

The objective of this set of activities is to introduce the topic of consumer rights and resolving disputes at the grocery checkout. It provides learners with practice in listening and speaking, specifically pointing out errors, clarifying and asking for information when paying for purchases. These activities are intended mostly for CLB 3 and CLB 4, but can also be used with CLB 5 learners, with higher expectations of their performance.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Resolve consumer disputes in everyday shopping situations
- Ask for information/explanation about specific details in a shopping situation, including product information, pricing and discounts

Corresponding CLB competencies

- 🔗 CLB 3: Understand expressions used in familiar everyday situations (such as requests, permission and warnings).
- 🔗 CLB 4: Understand short communication intended to influence or persuade others in familiar, everyday situations..
- 🗣️ CLB 3, 4: Use a range of courtesy formulas ... in short, casual, face-to-face interactions.
- 🗣️ CLB 3, 4: Make and respond to an expanding range of requests (CLB 3) or a range of requests and offers (such as getting assistance, and asking for, offering, accepting, or rejecting goods or services) (CLB 4).

Procedures

A. This is a warm-up discussion that introduces the topic of disputes in common shopping situations. You can also ask learners to describe other similar situations learners have found themselves in.

B and D. This activity involves listening to four short conversations.

For CLB 3, have learners preview the questions. Photocopy part D and have learners read the worksheet as they listen. Take up the answers.

For CLB 4 and CLB 5, you can use the questions provided in part B or ask learners to retell what happened in each situation.

Answers:

Conversation A

1. The customer thinks the price for chicken is wrong.
2. The cashier checks her store sale flyer.
3. Chicken isn't on sale this week.
4. The customer is looking at the store flyer from last week. (The sale is over.)

Conversation B

1. The customer thinks the price of the milk is wrong.
2. The customer saw a sale sign on the shelf in the dairy section.
3. She'll call someone to check the price.

At the Checkout

Conversation C

1. The customer thinks the cashier charged the wrong (regular) price.
2. Yes, the store has a clearance sale on rice./Yes, the rice is half price.
3. The sale is only for the 500-gram box. The customer has the 750-gram box.

Conversation D

1. The scanned price of the butter is wrong.
2. Yes, it does.
3. It is the store policy when a sale item is scanned wrong.

C. Learners may not be aware of socio-cultural differences in the statements, since they all point out a price error. Discuss what makes these complaints polite, and what makes one impolite. You can point out that by using *you* (*you charged me the regular price for the rice*) you are directly blaming the cashier, and this may be perceived by some people as impolite. The tone of voice used in the recorded conversations will likely help learners understand which customers are more (and less) polite.

Excuse me, could you check the price for the chicken?

I think that the milk scanned at the wrong price.

Excuse me, you charged me the regular price for the rice.

Excuse me, I think this price is wrong.

E. This role play activity provides practice in resolving a common shopping dispute. Learners prepare their dialogues and present them to the class. Learners at CLB 4 and 5 can come up with and role play own situations.

F and G. Have learners read all situations and provide an answer to each. Alternatively, you can assign each situation to a different learner and have them work on one answer only. Assign situations to learners in pairs and have them present their dialogues to the class.

Beyond the classroom: Learners can research online resources on consumer rights and how to make consumer complaints (including the process involved and possible language to use) as well as policies of specific retailers on making complaints and resolving problems related to pricing and payment.

A. Read the scenario below. With a partner, discuss answers to the questions.

You are at the checkout. You buy an item on sale. At the checkout, the cashier scans the item. The price displayed is not what you expected. You think the price is wrong.

Have you ever been in a situation like this? If yes, describe what happened at the checkout.

Why do you think situations like this happen?

What can you do or say when the scanned price is, in your opinion, wrong?

B. 🎧 Listen to four conversations that take place at the checkout in a supermarket. For each conversation, answer the questions.**Conversation A**

1. What is the customer's problem?
2. What does the cashier check first?
3. Why doesn't the cashier find a sale price for chicken in her flyer?
4. What is the problem with the customer's flyer?

Conversation B

1. What is the customer's problem?
2. Why does the customer think the scanned price is wrong?
3. How will the cashier find out if the milk is on sale?

Conversation C

1. What is the customer's problem?
2. Does the store have a clearance sale on rice?
3. Why does the rice scan at the regular price?

Conversation D

1. What is the customer's problem?
2. Does the store have a special on butter?
3. Why will the customer get butter for free?

C. 🎧 Listen again. Write down the expressions the customers use to make complaints.

D. 🎧 Read and listen to the conversations between a supermarket customer and a cashier.**Conversation 1**

- Customer: Excuse me, could you check the price for the chicken? I think it's on special this week—I saw it in your flyer.
- Cashier: Let me see—it scans at \$3.79 a pound. I'll check my flyer. Sorry, I don't see any chicken on sale this week.
- Customer: I'm sure it's on sale for \$2.49 a pound. It's in my flyer, right here. See?
- Cashier: I'm sorry, sir, but that's last week's flyer. Here, check the date.

Conversation 2

- Customer: I think the milk scanned at the wrong price. The sale sign said \$5.79 for four litres.
- Cashier: Oh, where was the sign?
- Customer: On the shelf in the dairy section.
- Cashier: I'll call someone to check the price.
- Customer: Thanks.

Conversation 3

- Customer: Excuse me, you charged me the regular price for the rice. The sign says, "Clearance Sale—½ price."
- Cashier: Where did you see the sign?
- Customer: On the shelf at the end of the aisle with rice and pasta.
- Cashier: I'm sorry, but that clearance sale is only for the 500-gram box. This box is 750 grams.
- Customer: Oh, okay.

Conversation 4

- Customer: Excuse me, I think this price is wrong.
- Cashier: Which one?
- Customer: Here, butter. It's on special for \$4.99, not \$5.99.
- Cashier: Oh, you're right. That means you're getting this butter for free.
- Customer: Really? How come?
- Cashier: It's the store policy. If a sale item scans wrong, you get it for free.

E. Use the role cards below to create dialogues with a partner. Present your dialogues to the class.**Situation 1****Student A: CUSTOMER**

You are doing your weekly grocery shopping. Your sister told you that there are many good deals advertised in the flyer this week. ABC Cereal, your kids' favourite, is on sale, so you want to stock up—you take four boxes. You also have a \$1 coupon for a 750-gram tub of natural yogurt. The store doesn't have this size in stock, so you pick up three 250-gram tubs—together they make 750 grams.

At the checkout, the cashier scans the cereal and you notice that you get a discount for three of the boxes, but are charged the full price for one of them. Also, the cashier doesn't want to accept your yogurt coupon.

Make a complaint.

Student B: CASHIER

You are scanning a customer's groceries. There is a special on ABC Cereal: the sale price is \$3.99, (regular price 4.99), with a limit of three boxes per family. Also, the customer wants to use a \$1 coupon for yogurt, but for a different size tub.

The customer makes a complaint.

Situation 2**Student A: CUSTOMER**

You are looking for canned tuna fish. You see a sign on the shelf: Sea Shell Tuna—4/\$5.00. You decide this is a good deal and take four cans.

At the checkout, the cashier scans the tuna, and you notice that the regular price of \$2.39 per can appears.

Make a complaint.

Student B: CASHIER

You are scanning the customer's groceries. You know that the Sea Shell tuna scans at the regular price because the sale ended yesterday.

The customer makes a complaint.

F. Read the situations below. With a partner, discuss each situation and decide what you can do and whether or not you have the right to do it as a consumer. Decide what you need to say and write your sentences in the spaces provided.

1. You buy a jar of tomato sauce. When you open it at home, the sauce looks spoiled—it has white spots on the surface. You want to return the jar to the store and ask for a refund.

You say:

2. You've just returned home from your weekly grocery shopping at the supermarket. You check the receipt and notice that you paid full price for a bottle of maple syrup. But the maple syrup was advertised on sale in a weekly flyer. You decide to go back to the store and ask for your money back.

You say:

3. You buy a blouse on sale. When you come home, you notice that the blouse has some stains on it that look like ballpoint ink. When you check the receipt, you notice it says "Final Sale. No Refunds." You want to go to the store and ask for your money back.

You say:

4. You buy an iron in a department store. Two days later, you are in the same department store and see that the same irons are on sale. They are now \$20 less than you paid. You decide to get your iron from home and come back to the store to ask for a \$20 discount.

You say:

5. You buy some chicken at the supermarket. Later the same day, you begin to cook the chicken. You notice a strange smell. You return to the store to get your money back. You don't have the chicken with you, because you threw it in the garbage. You have the label and your receipt.

You say:

G. Choose one of the situations above and role play it with a partner. Present your dialogue to the class.

Objectives and CLB levels

The objective of these activities is to introduce vocabulary for shopping online and familiarize learners with the process of making an online purchase. They are appropriate for CLB 3–5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Understand vocabulary and concepts related to online shopping
- Follow the steps to make an online purchase
- Identify security features of shopping websites

Corresponding CLB competencies

- 🗣️ CLB 3–5: Give simple, common routine instructions and directions to a familiar person (CLB 3, 4); give instructions and directions for everyday activities and processes (CLB 5).
- 😊 CLB 4: Express preferences, satisfaction or dissatisfaction.
- 📍 CLB 3–5: Understand common, sequentially presented instructions and directions related to familiar, everyday situations of personal relevance (CLB 3, 4); understand simple to moderately complex directions and instructions for generally familiar and relevant procedures (CLB 5).
- 📖 CLB 3, 4: Understand short, simple clearly sequenced instructions (CLB 3, 4) and instructional texts (CLB 4) for familiar everyday situations.
- 📄 CLB 3–5: Get information from simple formatted texts (web pages) (CLB 3, 4); locate and use 1 or 2 pieces of information from moderately complex formatted texts (such as ... website navigation menus).

Procedures

A. This warm-up discussion introduces learners to shopping online. Depending on the learners in your class, you may need to introduce/review vocabulary related to navigating websites. You may want to include the following words: *website, web page, URL, web address, menu, button, click, select, type, enter, scroll, etc.*

B. This is a word-definition matching exercise. You can replace it with activity C, or use both.

Answers:

1. d 2. k 3. f 4. l 5. g 6. h 7. e 8. i 9. j 10. a 11. c 12. b

C. Vocabulary cards: Learners can play a concentration game with the word and definition cards. You can also use the word cards after activity D to have learners demonstrate the sequence of steps in making an online purchase.

D. This text presents steps involved in making an online purchase. Ideally, you could have learners explore any shopping website following the steps outlined in the text. You can have learners read it first and put the sentences below in the correct order. For CLB 4 and 5, you could read the text and have learners listen and order the steps.

To extend the activity: Have learners retell the steps using sequencing expressions such as *first, then, after that, later, finally, in the end.*

E. and F. 📍 Online shopping websites: Direct learners to major retailer sites, as they are usually easy to navigate, use similar language and follow similar steps. Some suggestions: www.thebay.com; www.sears.ca; www.amazon.ca. Learners can record the name of the online store, then navigate through each site to find the same (or similar) words and phrases they learned in the previous activities. They complete the chart by checking off the words they find or writing similar words and phrases they encounter. Learners can choose their favourite website and explain why they like it (e.g., easy to search for items and navigate the site, don't have to register to use it, nice graphics).

How to Shop Online

Note: Most shopping websites require a username and email address. You can have learners set up separate email addresses on *Gmail* or *Yahoo* for practice purposes only.

G. ⓘ This activity can be done in pairs or individually; pair up learners with varied computer skills. You can set the budget for the gift, e.g., \$50, and remind learners to stay within it, including taxes, shipping and handling fees, etc. Learners will not be able to go beyond the payment information web page; you can ask them to choose a credit card and elicit what information is needed to complete the transaction. Ask them to present the gift of their choice: list the features and all costs involved, and comment on how easy/difficult it was to use the selected website.

Beyond the classroom: Learners can explore various shopping websites and access their pages with products and additional information on privacy policy, return policy, shipping costs, etc.

A. With a partner, discuss the answers to the questions below.

1. Have you ever bought anything online? Why?
2. In your opinion, how does online shopping compare to traditional shopping? For example, does it save time and money? Is it more convenient?
3. Think about doing shopping in a supermarket or department store. What are the steps you go through?

**B. Match the words with the meanings.**

- | | |
|--|--|
| 1. <u> d </u> to confirm | a. to close access to a website |
| 2. <u> </u> online shopping | b. to move to the next step |
| 3. <u> </u> virtual shopping cart | c. information about how you want to pay for the items you are buying—for example, a credit card number |
| 4. <u> </u> checkout | d. to say you are sure something is correct |
| 5. <u> </u> <i>Add To Cart</i> | e. a name or word that you type to enter a website |
| 6. <u> </u> to log in | f. a tool that keeps record of the items you want to buy |
| 7. <u> </u> username | g. a button you click to select an item you want to buy |
| 8. <u> </u> password | h. to type a username and password in order to enter a website |
| 9. <u> </u> personal information | i. a group of secret letters and/or numbers that you type before you can enter a website |
| 10. <u> </u> to log out | j. information such as your name, address, email address and phone number |
| 11. <u> </u> payment details | k. using the internet to buy things |
| 12. <u> </u> to proceed | l. the web page where you complete your shopping |

C. Cut along the dotted lines to make cards. Match the word cards with the meaning cards.

to confirm	to say that you are sure something is correct
online shopping	using the Internet to buy things
virtual shopping cart	a tool that tracks the items you want to buy
checkout	the web page where you complete your online shopping
username	a name or word that allows you to enter a website
to log in	to type a username and password in order to access a website



to proceed	to continue to the next step
<i>ADD TO CART</i>	a button that you click to select an item you want to buy
password	a group of secret letters or numbers that you must type before you can use a website
payment details	information about how you want to pay for the items you are buying, for example, a credit card number
personal information	person's name, address, and phone number
to log out	to close access to a website

D. Read the text. Then number the scrambled steps in the correct order.**How to Shop Online**

Most online shopping websites take you through several steps to complete your online shopping. After you choose the website you want to use, you can start shopping. You can click on an item to see details about it. When you find something you want to buy, you click on the **Add to cart** button. The item is now in your virtual shopping cart. When all the items that you want to buy are in your shopping cart, you are ready to pay. You click on the **Checkout** button to proceed to the payment section. Some websites ask new shoppers to register or create a customer account. If you are a returning shopper, you might need to log in by entering your username and password. Other websites let you go directly to the checkout, without a customer account. On the checkout page, you type in your email address, billing address, delivery address, and other personal information. You also need to enter payment details, including your credit card number. During checkout, you confirm your order and check that all the information is correct. Then, you click on the **Order** button. You can usually choose to print a confirmation page. If you logged in, you log out. Now, your shopping trip is finished and you can leave the website.

- _____ Click on the checkout button to go the payment section.
- _____ Log out and leave the website.
- _____ Confirm your order and check that the information is correct.
- _____ You may need to sign up or log in by typing your username and password.
- 1** Find something you want to buy.
- _____ Click on *Add To Cart* to choose the item.
- _____ Type in your billing address and the numbers from your credit card.
- _____ Print the confirmation page.

E. ⓘ Go online and locate two shopping websites (shopping portals or online stores). Review the web pages and compare the shopping processes on each website. Look for the words and phrases from the checklist below. Check off the words you came across. If the website uses words that are different from the listed ones, write them in the table. With a partner, compare the websites you reviewed and discuss the differences.

shopping website:		
cart/basket/bag		
search box		
<i>ADD TO CART</i> button		
<i>CHECKOUT</i> button		
log in/register		
enter email address		
enter customer info		
enter billing address		
enter delivery address		
enter payment details		
choose shipping		
confirm order		
<i>ORDER</i> button		
print confirmation		

F. ⓘ Select the shopping website and give your partner instructions on how to complete a shopping transaction. Your partner will follow your directions and confirm his/her understanding of the process. Compare the two websites, and find differences and similarities.

G. ⓘ With a partner, decide on a particular item you want to buy as a gift for someone (e.g., a book or a piece of clothing) and set the budget for your purchase. Visit two online stores and find these items. Compare prices, shipping options, total costs and the company's payment features. Report your results to the class.

Objective and CLB levels

The objective of this series of activities is to familiarize learners with safety features of online shopping websites and ensure they can recognize them. These activities are intended for CLB 4 and CLB 5 learners.

Targeted financial literacy outcome

The activities in this section and the activity ideas in teaching notes will help learners achieve the following financial literacy outcome:

- Recognize security features of shopping websites

Corresponding CLB competencies

- 🗣️ CLB 4, 5: Understand short communication intended to influence or persuade others in familiar, everyday situations (CLB 4); understand the gist and some details in moderately complex communication intended to influence or persuade (such as simple advice, opinion or suggestions) in everyday personally relevant situations (CLB 5).
- 🗣️ CLB 4, 5: Give brief descriptions of personal experiences ... or simple processes, such as getting goods or services (CLB 4); give presentations about sequences of events; ... or describe ... daily routines (CLB 5).
- 📖 CLB 5: Locate and use 1 or 2 pieces of information from moderately complex formatted texts (such as ... website navigation menus).

Procedures

You can introduce this series of activities by asking learners about their experiences with shopping online and how safe they felt when doing it.

A. ① Learners can take this quiz individually or in pairs; take up the answers with the whole class. If you have access to the computer lab, have learners search the web for more quizzes (suggested search term: *safe online shopping quiz*). Most quizzes offer answers after each question and usually provide detailed explanations.

Answers:

1. c 2. b 3. b 4. b 5. b 6. b 7. b

B. Ask learners to write sentences that will express potential risks and dangers when shopping online. Learners can use modal verbs of probability (*can, could, may might*) and certainty (*must, have to*).

C and D. This listening is a talk about the safety of online shopping. It offers tips with detailed explanations. Play the recording once and have learners complete the True/False quiz; then, have them listen to the talk again and take notes. There are eight tips in total.

Answers:

1. T 2. F 3. F 4. F 5. T

Transcript

Today I'm going to talk about safe online shopping. I am an avid online shopper—like many of you, I don't have time to visit different stores and check out specials and good deals. I do it online, from the comfort of my home. However, online shopping has its risks, and they can be quite different from those in regular shopping. These risks involve not only your purchase, the things you buy and the money you spend on them, but also your identity and privacy. Now I am going to tell you how you can protect yourselves against these risks and what you can do to make your online shopping experience safe and easy.

Safe Online Shopping

To begin with, I'll speak about how you can protect your identity.

First and foremost, always make sure that you are using a secure Internet connection. It's best not to use public Wi-Fi hot spots for situations when you give your personal information or credit card information over the Internet. You can never know for sure whether or not this connection is secure. When accessing any shopping website, make sure that it has *https* and a padlock icon in its URL. This means that the information you enter is encrypted, or coded. If you cannot locate either of these encryption signs, do not use that website—it's not safe.

Before buying anything on a shopping website, remember to check its privacy policy. This policy explains how your information is going to be used and stored. If there is no privacy policy on the website, that means you are not protected and have no control over what happens to the information you provide. Also, look for contact information for the company. If no information is provided, how can you make a complaint, return what you bought, or even clarify information you are not sure of? Sites with no contact information are most probably fraudulent and you shouldn't do your shopping there.

Another thing to remember is: protect your passwords. Make them difficult to crack and never give them away. You should change them often and, if possible, use supplemental passwords or images for additional security.

Now, when it comes to actual shopping, keep in mind that the safest way to pay for your purchase is with a credit card. Even better, use a pre-paid credit card—this is a card that works like a debit card until you use up all the funds on it. This means you can use it only a few times and for smaller purchases.

Before you complete your online transaction, review the return, refund and shipping and handling policies. Make sure that you understand what the real cost of your purchase is, with all the extras. If in doubt, e-mail or call the company's toll-free number and ask questions. Finally, keep all the records of your transactions. Always print out terms, conditions, warranties, descriptions of the items you bought, and bill information. When you receive your order, inspect it carefully and, if you notice any problem with it, contact the company immediately. Keep all your documents for future reference.

This may sound like a lot to remember, but you should try to keep these tips in mind whenever you shop online, and make them a habit. As the saying goes, it's better to be safe than sorry. Enjoy your online shopping!

E. In this activity, learners will create a list of safety features to pay attention to when shopping online. They will use this list in part F. The list can be in the form of questions (*Is there https in the URL?*) or can be a list of items that need to be checked off (i.e., a checklist). This activity can also be done as a whole class.

F. ⓘ In this activity, learners will access and search two or more shopping websites. Ask learners to use the checklist from part E to assess the safety features of each website. Learners can present the results of their search in small groups or to the class.

Note: Most shopping websites require a username and email address. You can have learners set up separate email addresses on *Gmail* or *Yahoo* for practice purposes only.

Beyond the classroom

G. ⓘ This activity can be assigned as an independent learning activity. Learners can do their research at home and bring the results to the class.

A. Answer the questions below. Compare and discuss your answers with your classmates.*SAFE ONLINE SHOPPING: HOW MUCH DO YOU KNOW?*

1. It is safest to pay for your online purchases with a _____.
a. credit card b. debit card c. pre-paid credit card
2. You _____ return something you bought online.
a. cannot return b. can return c. can only exchange, not return
3. The cheapest way to have your online shopping sent to you is by _____.
a. priority shipping b. standard shipping c. Express post
4. How can you tell whether or not a shopping website is secure?
a. it says *SECURE* on its page b. it has *https* in its URL c. it looks very professional
5. You can shop online on your laptop safely at any Wi-Fi hot spot in the city.
a. true b. false
6. When shopping online, it is safe to _____.
a. shop around for the best deal b. use only trusted websites c. it doesn't matter where you shop as long as you get the best price
7. All online shoppers have the same consumer protection as shoppers with traditional retailers.
a. true b. false c. no protection is needed

B. With a partner, discuss how safe online shopping is compared to shopping at traditional stores. Make a list of potential risks and dangers involved in online shopping.

For example:

I cannot return the item I bought. I don't know where the company is located. My credit card information can be stolen.

C. 🎧 Listen to an expert talk about the safety of online shopping. Decide whether the statements below are true or false.

1. The risks in online shopping involve your money, your identity and the things you buy. T F
2. It is not a good idea to use a Wi-Fi connection for online shopping. T F
3. Your privacy is always protected when you are shopping online. T F
4. There is nothing better than a credit card when paying for your online purchases. T F
5. It is important to keep all records of your online transactions. T F

D. 🎧 Listen again and take notes. Write the advice that the expert gives as tips (use short sentences and imperative form).

Example: *Make sure there is **https** or a padlock symbol in the URL.*

E. ⓘ As a class, make a safety checklist for shopping websites. Include the features and items you heard about in the talk. Access an online shopping website and review its safety features using the checklist. Report the results to your classmates.

F. ⓘ With a partner, decide on a particular item you want to buy, like a camera, computer or book. Then, use the Internet and find the item you want to buy. Consider its price, shipping costs, other fees, return policy and delivery time. Assess how safe the website is and explain why.

G. ⓘ Search the Internet for information about the safety of online shopping. Make a list of tips and present it to the class.

Suggested search terms: *safe online shopping; how to shop online safely; online shopping safety tips*

Objective and CLB levels

The objective of these activities is to familiarize learners with shopping trends in Canada and the growing popularity of online shopping. They provide opportunities to practice vocabulary use, speaking, listening, reading and writing. They are appropriate for CLB 4 and CLB 5 learners.

Targeted financial literacy outcome

The activities in this section and the activity ideas in teaching notes will help learners achieve the following financial literacy outcome:

- Discuss the advantages and disadvantages of shopping online

Corresponding CLB competencies

- 🗣️ CLB 4, 5: Ask for and give information about needs and feelings related to common everyday activities (CLB 4); ask for and give information related to routine daily activities in one-on-one interactions (CLB 5)
- 🗣️ CLB 5: Agree, disagree, and give opinions in small group discussions or meetings.
- 📖 CLB 5: Locate and use 1 or 2 pieces of information from moderately complex formatted texts (such as ... website navigation menus).

Procedures

Introduce the topic by asking questions such as:

- What is something you would consider buying online?*
- What is something you would never consider buying online?*
- Why is shopping online popular?*
- What are some advantages of shopping online? What are some disadvantages?*

A. Ask learners to read the text and the graph. You may need to explain/ elicit what a bar graph is and what it is used for (or what it illustrates best). Learners can answer questions individually or in pairs.

B. You may want to review *wh-* question formation and present perfect versus simple past before the *Find Someone Who ...* and follow-up interviews.

C. ⓘ Online research is optional, but may be helpful for learners who aren't familiar with online shopping and Internet security issues. This activity can be done as an independent learning assignment, where learners do their research at home and share the results with the class.

D. In this activity, learners can brainstorm expressions for each category before they get the worksheet. Alternatively, learners can start with the worksheet and add their own expressions to each category.

Answers:

EXPRESS AN OPINION	DISAGREE WITH AN OPINION	AGREE WITH AN OPINION
<i>I think . . .</i>	<i>I don't agree because . . .</i>	<i>You have a point there.</i>
<i>I believe ... because . . .</i>	<i>I tend to disagree because . . .</i>	<i>I think so, too.</i>
<i>I feel that . . .</i>	<i>Yes, but what about . . .</i>	<i>Exactly.</i>
<i>The way I see it . . .</i>	<i>I don't think so, given that . . .</i>	<i>I couldn't agree with you more.</i>
<i>If you ask me . . .</i>		

E. Have learners listen to four short conversations and complete the table.

To extend this activity, you can have learners respond to each statement using alternative expressions.

Online Shopping in Canada

Answers:

Conversation	Opinion	Disagrees	Agrees
1	<i>I think</i>	<i>Well, I don't think so, given that</i>	
2	<i>The way I see it</i>		<i>You have a point there</i>
3	<i>I really believe that</i>	<i>That sounds unreasonable because</i>	
4	<i>If you ask me</i>		<i>exactly</i>

Transcript

Conversation 1:

A: I think going to the mall is a huge waste of time and money. Online shopping is so much better. It's the only way to shop!

B: Well, I don't think so, given that cyber fraud and identity theft are serious problems. You have to be really careful about using your credit card on the Internet, and about who you're buying from.

Conversation 2:

A: Can you really save money by shopping online?

B: The way I see it, it's cheaper to buy online, because the seller doesn't have the same overhead costs as bricks-and-mortar retailers—like rent, or salaries for staff. Sellers usually offer better prices online.

A: You have a point there.

Conversation 3

A: I really believe that bricks-and-mortar retailers are going to disappear as online shopping becomes more and more popular. Soon, the only way to shop will be online.

B: Hmm—that sounds unreasonable because there will always be items that people will want to see and touch, or maybe try on, before they buy. Can you imagine shopping online for a diamond engagement ring? Not very romantic!

Conversation 4

A: If you ask me, online shopping is just too easy! You don't have to leave the house to spend money—you just click and type in your credit card number. You don't have time to think about whether or not you really need it, or whether or not you can really afford it. It's no wonder that credit card debt is a problem for so many people.

B: Exactly.

F. You may need to explain how a debate is typically conducted. A debate can be carried out in several different ways—in groups, in pairs, or with the whole class divided into two teams. Alternatively, instead of choosing a side and debating with a partner, learners could work in groups and brainstorm ideas or facts to support one or both of the statements.

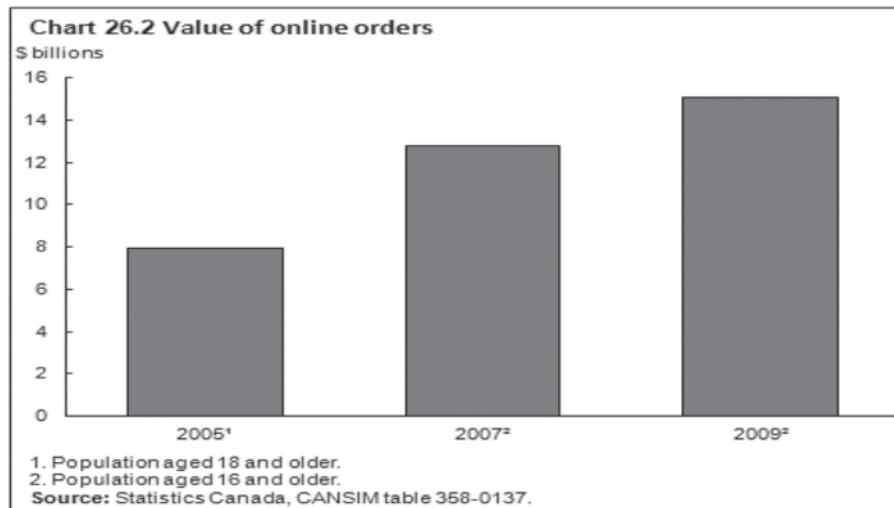
For CLB 4 learners, you may simply have learners select a statement and have a discussion about it. Learners can prepare arguments for and against before the discussion.

A. Read the text and answer the questions.

According to Statistics Canada, in 2009, about 39 percent of Canadians aged 16 and over used the Internet to place more than 95 million orders. This was up from 32 percent and 70 million orders placed in 2007, when the survey was last conducted. The total value of online orders for 2009 was \$15.1 billion.

In 2010, Canadians spent an estimated \$16.5 billion online, mainly on hotels, airline tickets, concerts and theatrical events, and other merchandise.

Online shopping in Canada is expected to reach \$18.5 billion in 2012, according to the digital research firm eMarketer.



Source: Canada Year Book 2011 <http://www.statcan.gc.ca/pub/11-402-x/2011000/chap/retail-detail/retail-detail01-eng.htm>

1. What does the information in the text and the graph illustrate about Canadians and online shopping?
2. Which products or services are most popular with online shoppers?
3. Which of these statements is true?
 - a. Canadians spent \$70 million dollars online in 2007.
 - b. Canadians' online spending increased by 7% between 2007 and 2009.
 - c. Canadians' online spending looked set to increase by \$2 billion from 2010 to 2012.
4. What can you predict about the number and value of online orders in the future? Extend the graph by drawing the bars for 2010 and 2012.

B. Ask your classmates about their experiences with online shopping. Ask follow-up questions where appropriate.

For example:

- *Have you bought anything online?*
- *What did you buy?*
- *Which website did you buy it from?*



Find Someone Who...

Name:

- | | |
|--|-------|
| 1. ...has bought an item or items online. | _____ |
| 2. ... has never bought anything over the Internet. | _____ |
| 3. ... wants to try online shopping in the future. | _____ |
| 4. ... would never buy anything over the Internet. | _____ |
| 5. ... thinks online shopping is a bad idea. | _____ |
| 6. ... believes security is a concern for online shoppers. | _____ |
| 7. ... thinks online shopping can save you money. | _____ |
| 8. ... thinks online shopping can make you spend too much money. | _____ |
| 9. ... has a PayPal account. | _____ |
| 10. ... can tell you two pros and two cons of online shopping. | _____ |

C. ① Search the Internet for articles about advantages and disadvantages of online shopping. Make a list of pros and cons that you consider most important. Compare with a partner or in groups.

Suggested search terms: *online shopping pros and cons; advantages and disadvantages of online shopping*

D. The phrases below can be used to express an opinion, to agree with another person’s opinion, or to disagree with another person’s opinion. Read the phrases and list them under the correct headings in the table.

I think ...	I don't agree because...	From my point of view...	I don't think so, given that ...	I couldn't agree with you more.
I believe ... because...	The way I see it ...	Exactly.	I think so, too.	If you ask me ...
I feel that....	I'm not sure I agree because ...	That sounds unreasonable because ...	Yes, but what about...	You have a point there.

Express an opinion	Agree	Disagree

E. 🎧 Listen to four conversations. Write the phrases you hear under the correct headings.

	Express an opinion	Agree	Disagree
1.			
2.			
3.			
4.			

F. 🎧 Listen again. For each conversation, write an opinion statement and supporting or opposing arguments.

G. Read the following statements about online shopping. Write a response to each statement, using the expressions for discussing.

You can only get reliable product information in a bricks-and-mortar store where there are salespeople to help you out.

Shopping websites always have the lowest prices for brand-name, quality items.

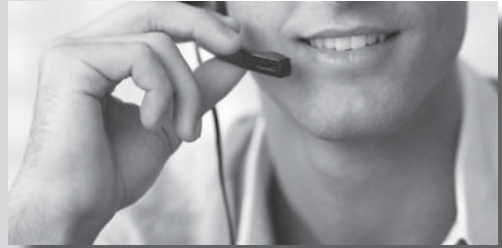
Online shopping will never replace shopping in a real store; people still want to be able to look through a book, try on clothing or check out a computer before buying it.

Online shopping is a dangerous habit that can easily lead to addiction.

H. Work with a partner. Choose a statement to discuss. Decide who will argue in favour of the statement and who will argue against it. Use facts to support your opinion. Take turns expressing your opinions and responding to your partner's opinions.

I. Write a paragraph explaining what you think of online shopping and support your opinion with reasons. You may choose one of the statements above to agree or disagree with.

Fraud



The activities in this section introduce the concepts of consumer fraud and explore common scams and schemes. The activities provide practice of key terms and vocabulary items related to false advertising, phishing and telemarketing scams.

The *Fraud and Scams* section includes three sets of activities:

False Advertising: Too Good To Be True

Phishing Emails

Recognizing Scams

You can select activities based on the needs and interests of the learners in your class. Each set of activities can be used independently and need not be taught in the sequence in which it is presented.

The activities in this section may be complemented by the online activities available at *English for Financial Literacy > Online Activities*.

The activities in this section can be connected to the following themes in *LINC 1–5 Curriculum Guidelines*:

- **Banking, Customer Service & Telephone**
- **Commercial Services and Business**

Learning Outcomes

The sample outcomes below can help you plan a lesson or series of lessons about fraud and scams. The outcomes are intended to guide you in defining areas of content and contexts for the language instruction. The financial literacy outcomes can help you determine the aspects of financial literacy to include in your instruction in order to facilitate learners' understanding, knowledge and competence. The language outcomes can guide you in selecting/designing language activities at CLB 3–5 that support financial literacy.

The activities included in this section are intended to support the outcomes below.

Sample Financial Literacy Outcomes	Sample Language And Numeracy Outcomes
<p>Understanding and knowledge</p> <ul style="list-style-type: none">• Be aware of misleading or dishonest advertising practices and sales schemes• Understand limits and exceptions related to special offers in advertisements• Be aware of specific fraudulent schemes that are currently active in Canada and internationally• Recognise features, purposes and potential dangers of fraudulent telemarketing and emails (“phishing”) <p>Application</p> <ul style="list-style-type: none">• Locate information in advertising (sale and discount prices, limits, disclaimers) and assess its reliability• Identify features of fraudulent telemarketing offers and phishing emails• Protect oneself from fraud by taking appropriate action	<ul style="list-style-type: none">• Get information from store flyers• Get the gist and important details from a story about a shopper’s experience at a sale• Demonstrate understanding of gist, key information and factual details of a conversation about a shopper’s experience• Get information about phishing emails from a notice• Get information from an email message and identify specific details that indicate it is fraudulent• Demonstrate understanding of factual details and implied meanings in a listening text about identifying features of a phishing email• Access and locate information online about prevalent types of fraud or specific scams in Canada and present a detailed description• Identify factual details and implied meanings in a text warning about telemarketing fraud• Extend/decline an offer and give instructions and advice in a telemarketing role play

When planning a lesson or series of lessons, you can use the listed outcomes as they are or develop your own based on the needs and interests of the learners in your class. For ideas and strategies for conducting a needs assessment, see the *Instructor Guide*.

Background Information and Key Language Elements

You can use the text below to familiarize yourself with the key concepts and processes in the topics of fraud and scams presented in the learner activities in this section. For sources of more information on the topic of fraud or related classroom resources, please see the *Useful Websites* section.

The sidebar below lists major language elements that you may want to introduce or review to support the thematic content of the activities.

Misleading Advertising

Learners need to be aware that advertising may be misleading or fraudulent. Terms, conditions, limits and disclaimers usually appear in small print and often use language that seems vague. Advertisers may deliberately use strategies that mislead consumers. Offers that sound too good to be true usually are, and unwary consumers can easily become victims. Consumers may complain to Advertising Standards Canada about misleading advertising.

Fraud

Identity fraud, identity theft, telemarketing scams, phishing and other threats to consumers are increasing, and newcomers may be specifically targeted. Learners need to be able to identify warning signs in order to minimize the risks. However, identifying the signs often involves understanding the language, particularly with phishing emails and telemarketing scams. At any given time there will always be scams in circulation, and it may be helpful for learners to be familiar with them. The so-called “anti-virus scam,” the “grandparents scam,” the “scareware scam” and the “Nigerian letter scam” are all examples of scams that will likely continue to be active for some time. Detailed, up-to-date information and warnings about specific scams can be found on the national Antifraud Centre website (www.phonebusters.com) and the websites of all major Canadian banks and credit card companies.

Identity Theft

Identity theft is one of the fastest-growing crimes in Canada. It occurs when someone steals your name and other personal information with the intention of assuming your identity to gain access to your finances, make purchases and incur debts in your name, or commit other crimes. In addition to names, addresses and phone numbers, thieves steal social insurance numbers, driver’s license numbers, credit card and banking information, bank cards, calling cards, birth certificates and passports. Once stolen, this information can be used to finance purchases and open new bank accounts, or to redirect your mail and apply for loans, credit cards and social benefits. Learners need to know the precautions they should take to reduce the risk of identity theft, such as being careful about sharing personal information over the Internet and the telephone and protecting their mail.

Key vocabulary

access
against the law
brand name
confidential
crook
defraud
dishonest
fraud
fraudster
fraudulent
genuine
hard-earned money
identity theft
legitimate
limited quantities
merchant
once-in-a-lifetime
out of stock
phishing
reactivate
scam
sold out
telemarketer
telemarketing
too good to be true

Phrasal verbs

buy into
check out
find out
hang up
log into
think over

Possible grammar structures

modal verbs for giving advice
too + adjective
very + adjective

Objective(s) and CLB levels

The objective of this set of activities is to introduce the concept of false or misleading advertising and other dishonest practices and to look critically at the offers made in sales flyers. These activities provide opportunities to practice vocabulary use, reading, listening and speaking. They are suitable for CLB 3 and CLB 4.

Targeted financial literacy outcomes

The activities in this section will help learners achieve the following financial literacy outcomes:

- Be aware of misleading or dishonest advertising practices and sales schemes
- Understand limits and exceptions related to special offers in advertisements

Corresponding CLB competencies

- 👂 CLB 4: Demonstrate comprehension of mostly factual details and some inferred meanings in a story about obtaining services.
- 🗣️ CLB 3, 4: Ask for and give information about needs and feelings related to common everyday activities.
- 📖 CLB 3, 4: Understand the purpose, main idea, key information and specific details in simple short texts ... related to personally relevant situations.
- 📖 CLB 3, 4: Get information from short and simple business or service texts.

Procedures

A. You could ask learners to bring in flyers they receive at home or at local stores.

B. Draw attention to the language in the flyer. You may need to preteach vocabulary such as *luxurious, pillowtop, incredible, hot offer, quantities are limited*.

C. You can write a class list of the brand names that learners are familiar with; suggest that they think about products they see in supermarkets and other stores, or on TV. If learners have difficulty coming up with brand names, ask them to search the store flyers from part A.

D. At CLB 4, learners can listen to you read the story, then answer the questions. They can then read the story to check their answers.

G. Answers: 1.C 2.D 3. A 4. B 5. E

H. You can have learners listen first for the gist of the conversation. Then, ask them to preview the questions and listen again.

Answers:

1. How did Li Wei's shopping trip to Mattress Land go? What happened? *Not so good. The store didn't have any sleep sets for \$69.99.*
2. What does her brother say about the store? *They probably never had any sleep sets for \$69.99 in the store.*
3. What happens when a store advertises an item with a very low price? *Customers come into the store.*
4. What do the salespeople try to do? *They try to sell you something more expensive.*

False Advertising: Too Good To Be True

🔊 . Transcript

- Brother: Hey, how did it go this morning at Mattress World?
- Li Wei: Not so good. I was there early, when the store opened. And they told me that the sleep sets in the flyer were out of stock! Then the salesperson showed me some really expensive ones.
- Brother: Oh, that's too bad. You know, they probably never had any sleep sets for \$69.99 in the store.
- Li Wei: But how can they advertise a sale in their flyer?
- Brother: Well, they can't – it's dishonest and it's against the law. But a lot of businesses still try it. It's called false advertising.
- Li Wei: What does that mean?
- Brother: You know, when a store advertises a sale item with a very, very low price, it gets customers to come into the store. The salespeople say, "Sorry, it's out of stock" or "Sorry, it's sold out." Then they try to sell you something more expensive.
- Li Wei: That is what happened to me!
- Brother: Yes, the price sounded too low. It was too good to be true.
- Li Wei: Well, I'll never buy anything from Mattress World now.

I. Answers:

1. early/ opened 2. really expensive 3. probably never 4. dishonest/ against 5. out of stock/ sold out 6. good/ true

Grammar: Using *very* and *too* with adjectives.

J. The grammar focus of this activity relates to the meaning of the expression *too good to be true* in the previous activities. It provides practice using *too* and *very* with adjectives to express positive or negative results.

Write the sentences on the board and ask whether a or b gives the correct result/explanation.

1. The shoes are very expensive. a. Jin can buy them. b. Jin can't buy them.
2. The shoes are too expensive. a. Jin can buy them. b. Jin can't buy them.

Answers: 1.b 2.b 3.a 4.b 5.b

K. You may need to collect a few sale flyers or ads in advance. Look for prices or offers that are extremely low (or free). Some suggestions are gym membership offers, inventory clearance sales, door-crasher specials, and so on. You may be able to photocopy pictures from the flyers in part J.

L. Explain that statements about prices are usually opinions (what is reasonable, affordable, too expensive is subjective). Answers will vary. For CLB 4 and CLB 5, learners can explain their responses, e.g., *I said it's very affordable because I think many people can afford to pay that price.*

M. You may want to point out to your learners that large retail chains are usually careful about advertising because false advertising is illegal and they can be fined by the government. However, it is difficult to prove that a retailer did not have the advertised product in stock and had no intention of selling it for the advertised price. You may find the best examples of extremely low prices in newspapers, on the Internet and at independent stores. Look for words like *final clearance*, *door crasher* or *blowout sale*. Point out to learners the words and phrases that signal that you must read carefully. You could also look for flyers that state in fine print that they have limited quantities available.

A. Look at the picture. Have you ever seen flyers like these ones? Where do you get them? Do you ever read them? Why?



B. Look at the flyer from Mattress Land. Is it the same or different from the flyers you have seen? Read the text and write short answers to the questions below.

Mattress Land

Brand Name Queen-Size Sleep Sets!!!

Luxurious Pillowtop Mattress with Matching Box Spring!!

Only \$69.99! Incredible Offer for a Limited Time Only!

Sale begins Monday, November 3. Hurry in for great savings!*




* Quantities are limited

1. What is the name of the business?
2. What product is the flyer advertising?
3. What is the price?
4. What information about the product does the flyer give?
5. When does the sale start? When does it end?

C. Read the questions and discuss your answers in a small group.

1. How much do you think a good quality mattress and box spring set costs? Do you think you can buy one for the price in the flyer?
2. What is a brand name? Do you know any brand names (e.g., food, clothing)? Do you prefer to buy brand name products? Why?
3. What do you think when you see a price that looks very low?
4. Did you ever try to buy something that was advertised for a very low price? What happened?

D. Read the story about Li Wei’s shopping trip to Mattress Land.

Li Wei found a flyer from a store called “Mattress Land” in her mailbox. She wanted to buy a queen-size mattress, but she thought that they were very expensive. When she saw the sale price, she was excited. She could afford to pay \$69.99 for a new sleep set. She could buy it right away.

The flyer said, “Hurry in for great savings!” Li Wei understood that the store had the sleep sets on sale for a short time. She worried that Mattress Land didn’t have many sleep sets on sale for \$69.99 because the flyer said, “Quantities are limited.”

On Monday November 3, at 10:00 in the morning, Li Wei went to Mattress Land to buy the sleep set. She brought the flyer with her and showed it to the salesperson.

“I’d like to see this sleep set, please,” she said.

“I’m sorry. We don’t have any more of those sleep sets in stock. But we have a huge selection of top quality mattresses, at special very low prices,” he told her.

The salesperson showed Li Wei several very nice pillowtop queen-size sleep sets. They looked very comfortable and they were good quality. They had brand names. They also cost a lot more than \$69.99. Finally, Li Wei said, “No, thanks,” and left the store.

E. Read the sentences and circle T for true and F for false.

- | | | |
|--|---|---|
| 1. Li Wei understood that the store had the sleep sets on sale for a short time. | T | F |
| 2. Li Wei was sure that the store had many sleep sets on sale for \$69.99. | T | F |
| 3. Li Wei arrived at Mattress World in the afternoon on the first day of the sale. | T | F |
| 4. The store didn’t have the \$69.99 sleep sets. | T | F |
| 5. The store didn’t have any queen-size pillowtop mattresses. | T | F |
| 6. The salesperson tried to sell a more expensive sleep set to Li Wei. | T | F |
| 7. Li Wei didn’t buy anything at Mattress World. | T | F |

F. Read the flyer from Mattress Land again. Circle the words that made Li Wei want to go there at 10:00 a.m. on Monday morning. Then, answer the questions below.

1. What is the main message of the flyer? Check off the best sentence.
 - Mattress Land is having a big sale on all sleep sets.
 - Mattress Land has a few brand name queen-size sleep sets on sale for \$69.99.
 - Mattress Land sells queen-size sleep sets for \$69.99
2. Would you shop at Mattress Land? Why?

G. You will hear these words in a conversation. Match the words with the meanings.

- | | | | |
|----------|-------------------|----|--|
| 1. _____ | out of stock | A. | not truthful |
| 2. _____ | false advertising | B. | to have recently sold every one of an item |
| 3. _____ | dishonest | C. | not available in the store any more |
| 4. _____ | sold out | D. | advertising that is not true |
| 5. _____ | against the law | E. | not legal |

H. Listen to Li Wei and her brother talking about her experience at Mattress Land. Did Li Wei buy a sleep set? Listen again and answer the questions.

- How did Li Wei's shopping trip to Mattress Land go? What happened?
- What does her brother say about the store?
- What happens when a store advertises an item with a very low price?
- What do the salespeople try to do?

I. Listen again and write the missing words.

- I was there _____ when the store _____.
- Then the salesperson showed me some _____ sleep sets.
- They _____ had any sleep sets for \$69.99 in the store.
- It's _____ and it's _____ the law.
- The salespeople say, "Sorry, it's _____," or "Sorry, it's _____."
- I thought it was too _____ to be _____.

J. Read the grammar note. Then choose the best explanation for each of the sentences below.

Using *very* and *too* + adjective

Very and *too* are both used before adjectives, but the meanings are different.

- *very* means **to a high degree**, or **a lot**
- *too* means **more than enough**, **more than necessary** or **more than wanted**, and often has a negative meaning

Examples:

The shoes are very expensive. = I can probably buy them. The price is high, but it's possible for me to buy them.

The shoes are too expensive. = I can't buy them. I don't have enough money. It's impossible for me to buy them.

- The instructions for filling out the income tax form are too confusing.
 - It's difficult but I can fill out the form.*
 - I can't fill out the form.*
- It's very late to order a pizza.
 - I can't order a pizza. The restaurant is closed.*
 - I'm not tired. I'm going to stay up to eat it.*
- The soup is too spicy.
 - It hurts my mouth. I can't eat it.*
 - I'm going to eat it and drink some water.*
- Jin wants to buy a car that is very expensive.
 - He won't buy it because he can't afford it.*
 - He'll buy it and pay a lot of money for it.*
- The light in this room is too bright.
 - I can easily read the newspaper.*
 - I can't read the newspaper. The light hurts my eyes.*

K. Find sale ads in flyers or newspapers. Write sentences about the ads on the chart paper.

Example:



This price is too high.



This is a very good sale.

L. Work with a partner. Respond to the statements using these adjectives. Use too or very where appropriate. Explain your response.

Example:

A: You can buy a new laptop for \$65.00.

B: That's too cheap.

A: Why do you say that?

B: I don't believe it. You can't get a new computer for that price.

expensive	reasonable	cheap	affordable
inexpensive	good	popular	modern

1. You can buy an HD television for \$50.00.
2. Two people can eat lunch at that restaurant for less than \$10.00.
3. Five hundred customers lined up all night to buy the newest smart phone.
4. He spends more than 70 percent of his income on rent.
5. You can save 20 percent with this coupon.
6. Their new house uses smart technology to control all the appliances and the heating system.
7. I paid over \$5,000 for this jacket.
8. She bought a new king-size sleep set on sale for \$499.00.
9. The flyer says you can join this gym for only \$6.99 a month.

M. Bring store flyers and sale advertising to class. Look for ads that are too good to be true. Did you find any examples that may be false advertising? Explain.

Objective(s) and CLB levels

The objective of this set of activities is to introduce the concepts of identity theft, identity fraud and online security. They provide practice in vocabulary use, reading, listening and speaking. These activities are intended for CLB 4 and CLB 5.

Targeted financial literacy outcomes

The activities in this section will help learners achieve the following financial literacy outcomes:

- Recognise features, purposes and potential dangers of some common types of fraudulent emails (“phishing”)
- Protect oneself from identity theft by taking appropriate action

Corresponding CLB competencies

- 👂 CLB 4, 5: Understand short communication intended to influence or persuade others in familiar, everyday situations (CLB 4); understand the gist and some details in moderately complex communication intended to influence or persuade in everyday personally relevant situations (CLB 5).
- 📖 CLB 4, 5: Get information from short business or service texts (CLB 4); get information from simple to moderately complex business or service texts (CLB 5).
- ✍️ CLB 4, 5: Write simple business or service messages (CLB 4); write short business or service correspondence for routine personal needs (CLB 5).

Procedures:

A. Introduce the topic: draw a picture of a fishhook on the board. Write the words *phishing* and *fishing* on the board. Explain that the term “phishing” in the title sounds exactly like the word fishing and that this is intentional—the victim is like the fish that goes after the bait and is caught. The origin of the term phishing is not clear, but it is likely a reference to an older slang term phreaking (telephone hacking or freaking); the first two letters could stand for *password harvesting*.

You may need to introduce the vocabulary *fraud*, *fraudulent*, *scam* and *identity theft*. You could provide some common examples, e.g., it is fraud if you lie about something you are selling—to say a cheap copy is a genuine brand name product, or that a used item is new; to use someone’s credit card number without permission; to sign someone’s name on a cheque and then cash it.

C. Answers: 1. T 2. F 3. T 4. T 5. T 6. F 7. F

D. Tell learners that this is an actual phishing email—only the bank name has been changed. You may need to introduce the format of an email message: from, including name and email address/date/subject/salutation or greeting.

Answers:

1. Suspect: detected: Avoid account suspension. /No, I don’t know what it means. (*Note: It is meaningless, but sounds serious.*)
2. ABC Online Banking
3. Dear Value Customer
4. Click on the link
5. Answers will vary. Why? No, because it doesn’t use my name; I don’t have an account with ABC Bank, etc.

Phishing Emails

E. Ask learners to brainstorm possible warning signs of a fraudulent email message.

Transcript

Here are some features of a typical phishing email:

- First, think about the message. Do you have an account with the company? If you do not have an account, and the email tells you that your account needs to be updated, then it is fraudulent. So pay attention to what company the email is from.
- Next, look at how the email is addressed and what the sender is asking for. “Dear customer” is not the way your own bank will address you. A bank that you have accounts with will address you by your name, and will never ask for personal information online. If your account needs to be updated, a bank representative will usually telephone you or send you a form through the mail.
- Pay attention to the addresses that are included in the email. Usually what happens is that they show you one address but are actually using a different address, and if you don’t check to see that both addresses match, then you won’t notice that it is actually two different addresses.
- Look for spelling and grammar mistakes in the email. Often, words will have small errors—like two “e’s” in a word that is only supposed to have one. You can also look for things like three semicolons between phrases when there shouldn’t be any.
- And finally, look for formatting errors. Look closely at the layout of the page for things like no spaces or too many spaces between paragraphs. The message just doesn’t look professional.

G. There are many authentic samples of phishing emails online. Some bank websites do not have samples but do offer clear descriptions of what to look for, including catch phrases. Another good source of fraudulent email samples is Canada Revenue Agency’s website at <http://www.cra-arc.gc.ca> under *Security*. Canadian Bankers’ Association at <http://www.cba.ca> also has examples of fraudulent emails and links to major bank websites. Microsoft has an informative article about identifying fraudulent emails on their website:

Microsoft <http://www.microsoft.com/security/online-privacy/phishing-faq.aspx>

Learners can work in pairs or small groups.

H. Elicit/review email format and style; have learners brainstorm expressions they could use for a greeting, closing and salutation. Elicit the content of the possible email (e.g., purpose, details such as what, when, where; mention the attachment, etc.). Check learners’ work for correctness and style.

I. This activity is appropriate for CLB 5 learners and can also be done as an independent learning assignment. Have learners access the recommended websites and guide them through the menus. Learners can work in pairs or small groups.

A. Define the words in bold, using a dictionary if needed. Discuss the questions with a partner.

1. Have you ever heard of identity theft? Do you know how it can happen? What do you think could happen to a victim of identity theft?
2. What is a scam? Have you or someone you know ever been the victim of a scam?
3. What is fraud? Have you seen or read stories about fraud in the news?

B. Read the text about phishing and the statements that follow. Circle T for True and F for False.

Phishing (pronounced the same as *fishing*) is one of the methods that criminals use to steal your personal data, such as credit card numbers, passwords, account data or other information. Phishing often uses email messages with links to fraudulent websites. The emails look like they are from businesses that you trust, such as banks or credit card companies. Phishing emails ask you to respond by providing certain information or by clicking on a specific link in the email.

Any information that you provide may be collected and used by the criminals. This information can be used for many different types of fraud, including stealing money from your bank account and opening new accounts in your name. These types of fraud are part of identity theft.

To protect yourself, you should never respond to a suspicious email. Never send personal data by email, and never click on a link in an email. If you receive suspicious emails asking you for personal data, protect yourself by resetting your password and making sure that your computer's security software is up-to-date.

- | | | |
|---|---|---|
| 1. The main purpose of phishing is to collect your data and use it for fraud. | T | F |
| 2. The email messages look like they are from businesses you are not familiar with. | T | F |
| 3. The link in the email will take you to a website created by the criminals. | T | F |
| 4. Taking money illegally from someone's bank account is a type of fraud. | T | F |
| 5. Criminals use phishing to get your personal information, and then they use the information to pretend to be you. | T | F |
| 6. It's safe to click on the link in the email to see who sent it to you. | T | F |
| 7. Resetting your password cannot prevent phishing emails. | T | F |

C. Discuss these questions with a partner.

1. Do you think you could recognize a phishing e-mail? How?
2. How can you protect yourself from identity theft?
3. What will you do if you receive an email that seems fraudulent?

D. Read the email message below and answer the questions.

From: ABC Online Banking [email.alert@abc.com]
Date: Monday, December 19, 2011 3:05 PM
Subject: SUSPECT: DETECTED: Avoid Account Suspension

Dear Value Customer:

Our records indicate that your Online Card Number and Password are now inactive.

We require you to update online security questions on account to reactivate your online access.

To start the reactivation process click on the link below;

<https://www.abconline.abc.com>

Once you have completed the process we will send you an email notifying that your account is available again. After that you can access your account online at any time.

Thank for banking with us.
 ABC Online Service

1. What is the subject of the email? What does it mean?
2. Who is the sender?
3. Who did the sender address the email to?
4. What does the email ask you to do?
5. Do you think this email is legitimate? Why?

E. Listen to an expert explaining how to recognize phishing emails. Check off the statements you hear.

1. The message contains a lot of your personal information. _____
2. Usually the addresses in the email don't match. _____
3. If you are not a customer of the bank that sent the email, and it asks you to update your account information, the email is fraudulent. _____
4. The email provides a phone number and tells you to call the company for verification. _____
5. Your bank will never ask you to provide personal information online. _____
6. The layout of the message does not look professional. _____
7. The email uses an impersonal form of address, such as "Dear Customer." _____
8. Look for spelling and typing errors in the message. _____
9. The email tells you to send a reply. _____

F. Read the email again. Identify which features of a phishing email it has.

G. Access samples online of authentic phishing emails. Go to your bank's or credit card company's website and look under Privacy or Security. Answer the questions.

1. What features make the emails appear authentic?
2. What features make them appear fraudulent?
3. How do you report a fraudulent email?
4. Have you ever received an email like the examples on the website?

H. Write an email reporting a phishing email you have received. Provide all the necessary details.

To:
CC:
SUBJECT:
Your message:

I. ⓘ Access information online to learn more about phishing and other kinds of fraud. Think of one specific aspect that you want to learn more about, or choose one topic from the list below. Present the information to the class.

- How to report phishing emails and other fraud
- What steps to take if you think you are a victim
- How to protect your identity and your computer

Suggested search terms and websites:

- *phishing in Canada*
- any Canadian bank or credit card website (go to *Privacy and/or Security*)
- government websites, such as www.publicsafety.gc.ca and www.rcmp-grc.gc.ca (go to *Scams and Frauds*)

Objective(s) and CLB levels

The objective of this set of activities is to introduce the concepts of fraud and identity theft and to explore some common telemarketing scams. These activities provide opportunities to practise vocabulary use, reading, listening and speaking. They are intended for CLB 4 and CLB 5.

Targeted financial literacy outcomes and applications

The activities in this section will help learners achieve the following financial literacy outcomes:

- Recognise features, purposes and potential dangers of some common types of fraudulent emails (“phishing”)
- Protect oneself from identity theft and scams by taking appropriate action

Corresponding CLB competencies

- 📞 CLB 4, 5: Understand short communication intended to influence or persuade others in familiar, everyday situations (CLB 4); understand the gist and some details in moderately complex communication intended to influence or persuade in everyday personally relevant situations (CLB 5).
- 🗣️ CLB 5: Give ... informal ... suggestions and advice.
- 🗣️ CLB 5: Give presentations about incidents or describe scenes ... or routines.
- 📖 CLB 4, 5: Get information from short business or service texts (CLB 4); get information from simple to moderately complex business or service texts (CLB 5).

Procedures

A. As a warm-up to the topic of telemarketing fraud, you could ask learners if they have ever received an email, letter or telephone call about winning a prize, such as a free vacation, a lottery jackpot or free gift. Did they believe it was true?

B. Answers:

1. F 2. C 3. G 4. E 5. J 6. H 7. E 8. A 9. D 10. I

C and **D.** You can cut out the headings and have learners place them correctly in the text, or have learners copy them in the correct spaces in the text.

Answers: a – section 4; b – section 6; c – section 2; d – section 5; e – section 1; g – section 9; g – section 7; h – section 3; i – section 8

Will that be cash... or cash?	It's the manager calling.
You must pay or you can't play.	The caller is more excited than you are.
It sounds too good to be true.	What can I do to protect myself?
The stranger calling wants to become your best friend.	
You must give them your private financial information.	
It's a limited opportunity and you're going to miss out.	

Recognizing Scams

E. Answers:

1. One example of an offer that sound too good to be true is winning a prize in a contest you don't remember entering / a once-in-a-lifetime investment that offers a huge return / a lottery ticket pool that cannot lose.
2. Before you can receive the prize you have won, you must send money to the caller in order to pay for delivery, processing, taxes, duties or some other fee before you receive your prize.
3. Telemarketing scams often involve cash payments because cash cannot be traced or cancelled, and because crooks also have difficulty establishing themselves with legitimate credit card companies.
4. Crooks will sound extremely excited about the offer so that you won't be able to think clearly.
5. Crooks will claim to be from the government or your bank and will use your first name in order to ask you a lot of personal questions (like how often your grown children visit you).
6. Once criminals know someone is lonely, they will try to convince you that they are your friend.
7. If the caller pressures you to agree immediately, it is probably not a legitimate business because real businesses or charities will give you a chance to check them out or think about it.
8. If you have doubts about the caller, hang up, then ask the advice of a close friend or relative, or your banker.

F. To introduce public service announcements (PSAs), you could have learners view some on YouTube.

Answers: 1. M 2. O 3. N 4. I 5. K 6. D 7. B 8. C 9. L 10. F 11. A 12. G 13. J 14. H 15. E

H. 🗣️ Transcript

(Ring) *Hello?*

Hello, this is Jay calling from The Windows Online Centre. We have detected a virus in your PC that may cause serious harm.

Sorry, who are you and why are you calling?

This is Microsoft Windows Online Centre calling. You need to run the latest antivirus software right away, or your whole system will become infected.

If you receive a call like this one, hang up. It is very likely a telemarketing scam. Police services and The Canadian Anti-fraud Centre are warning the public about a telemarketing scam that is currently operating. The Canadian Anti-fraud Centre has received 9,349 complaints about the same scam since last year. The estimated cost to victims? At least half a million dollars so far. And it continues to grow.

Remember, you can **Stop Phone Fraud. Just Hang Up!**

Anyone with information is asked to contact police at 416-808-7350, Crime Stoppers anonymously at 416-222-TIPS (8477), online at www.222tips.com, text TOR and send your message to CRIMES (274637), or Leave A Tip on Facebook.

Answers:

1. Jay from the Windows Online Centre
2. A serious virus has been detected; run anti-virus software immediately
3. Police services and the Canadian Anti-fraud Centre
4. The public
5. A telemarketing scam

Recognizing Scams

I. Answers

6. The Anti-virus Scam
7. Fix the problem
8. Payment by credit card
9. Request remote access or provide a link to download anti-virus software
10. To gain access to the computer and extract personal data; the victim's credit card number
11. Hang up; disconnect computer from the Internet; run a full virus scan with your own anti-virus software

I. 🗣️ Transcript

You may have heard this PSA on the radio or seen it on TV. What is it all about? Well, I'm going to tell you.

Police services across North America and around the world are warning the public about a telemarketing scam known as "The Anti-virus Scam." As you heard in the public service announcement, it all starts with a phone call. Let me explain how this scam works.

First, victims receive an unsolicited telephone call from someone who claims to work for an online support company. The caller uses a company name that sounds official, with words like "Microsoft" or "Windows" or "online PC care." The caller says that a virus has been detected on the victim's computer and offers to fix it, while pressuring the victim to do it immediately. When the victim agrees, usually in a bit of a panic, the caller asks for the victim's credit card number to pay for the service.

After he or she gets the credit card information, the caller either asks for remote access to the computer in order to fix it, or provides a website address to download anti-virus software. Allowing remote access or downloading the software has the same result— in both instances, the caller gains access to the victim's computer files to extract personal data, such as passwords.

Don't forget that the caller also has the credit card number and can charge a fee for hacking into the victim's computer!

What should you do if you receive a call like the one we heard in the PSA?

Remember, the warning signs are:

- an unsolicited call from a computer repair service or company
- an urgent message indicating there is a threat to your computer
- a request for remote access to your computer, or a recommendation that you download software they provide

Police are advising the public not to give out personal information during any unsolicited phone calls for computer services. If you do receive a call like this one:

- hang up,
- disconnect your computer from the internet, and
- run a full virus scan on your computer using the name brand or trusted anti-virus software that you installed yourself!

K. This activity is appropriate for learners at CLB 5. Direct learners to sites such as the RCMP and the Canadian Antifraud Centre. These sites have current information and good descriptions of various scams and the warning signs (techniques, words and phrases). The RCMP website has a resource under Scams Protection—*A Student Practical Guide*.

Beyond the classroom: Learners can search for examples of fraudulent advertising, phishing emails and other popular types of scams; they can educate/warn their family members about them.

A. Discuss the questions in pairs or small groups.

1. Have you, or has someone you know, ever been the victim of a scam?
2. How do you know if someone is offering you a genuine opportunity to win, make or save money or if they are trying to cheat you?
3. What are the warning signs or features of a scam?

B. You will read the words and phrases below in an article about recognizing scams. Match the words with the meanings.

- | | |
|-------------------------------|---|
| 1. _____ scam | A. to state that something is true |
| 2. _____ crook | B. a delivery person |
| 3. _____ telemarketer | C. a dishonest person; a thief |
| 4. _____ courier | D. to take as your own |
| 5. _____ legitimate | E. money you earn by working hard |
| 6. _____ merchant | F. a fraudulent plan to cheat someone |
| 7. _____ hard-earned money | G. someone who sells products by telephone |
| 8. _____ to claim | H. a person who sells goods; a retailer |
| 9. _____ to claim a prize | I. to strongly persuade someone to do something |
| 10. _____ to pressure someone | J. lawful; following the law |

C. The headings below are from the article “How can I recognize a scam?” Read the headings and make predictions about the information in the article.



a. Will that be cash... or cash?	b. It's the manager calling.
c. You must pay or you can't play.	d. The caller is more excited than you are.
e. It sounds too good to be true.	f. What can I do to protect myself?
g. The stranger calling wants to become your best friend.	
h. You must give them your private financial information.	
i. It's a limited opportunity and you're going to miss out.	

D. The article below is from the Canadian Anti-fraud Centre’s website. It describes some of the techniques that criminal telemarketers use to defraud people. Read the article and match a heading from part C to each of the nine sections of the article.

HOW CAN I RECOGNIZE A SCAM?



1. _____

You’ve won a big prize in a contest that you don’t recall entering. You’re offered a once-in-a-lifetime investment that offers a huge return. You’re told that you can buy into a lottery ticket pool that cannot lose.

2. _____

“You’re a winner!”—but you must agree to send money to the caller in order to pay for delivery, processing, taxes, duties or some other fee before you receive your prize. Sometimes the caller will even send a courier to pick up your money.

3. _____

The caller asks for all your confidential banking and/or credit card information. Honest businesses do not require this kind of information unless you are using that specific method of payment.

4. _____

Often, criminal telemarketers ask you to send cash or a money order, rather than a cheque or credit card. Cash cannot be traced or cancelled. Also, crooks have difficulty establishing themselves with legitimate credit card companies.

5. _____

The crooks want you to get excited about this “opportunity” so that you won’t be able to think clearly.

6. _____

The person calling claims to be a government official, tax officer, banking official, lawyer or some other person in authority. The person calls you by your first name and asks you a lot of personal questions (like how often your grown children visit you.)

7. _____

Criminals love finding out if you’re lonely and willing to talk. Once they know that, they’ll try to convince you that they are your friend—after all, we don’t normally suspect our friends of being crooks.

8. _____

If you are pressured to make a big purchase immediately, it's probably not a legitimate deal. Real businesses or charities will give you a chance to check them out or think about it.

9. _____

Remember, legitimate telemarketers have nothing to hide. However, criminals will say anything to part you from your hard-earned money.

Be cautious. You have the right to check out any callers by requesting written information. Always be careful about providing confidential personal information, especially banking or credit card details, unless you are certain the company is legitimate. If you have doubts about a caller, your best defence is to simply hang up. It's not rude—it's smart.

If you're in doubt, it's wise to ask the advice of a close friend or relative, or your banker. Rely on people you can trust.



Remember, you can **Stop Phone Fraud – Just Hang Up!**

To report a suspected telemarketing scam, contact the Canadian Anti-fraud Centre at www.antifraudcentre.ca or call the toll-free number: 1-888-495-8501.

Adapted from http://www.antifraudcentre-centreantifraude.ca/english/recognizeit_haveibeenscammed.html

E. Complete each of the statements with information from the text.

1. One example of an offer that sounds too good to be true is _____
_____.
2. Before you can collect the prize you have won, you must send money to the caller in order to ____
_____.
3. Telemarketing scams often involve cash payments because _____
_____.
4. Crooks will sound extremely excited about the offer so that _____
_____.
5. Crooks will claim to be from the government or your bank and will use your first name in order to

_____.
6. Once criminals know someone is lonely, they will _____
_____.
7. If the caller pressures you to agree immediately, it is probably not a legitimate business because
_____.
8. If you have doubts about the caller, _____
_____.

F. You will hear these words in a listening text about a telemarketing scam called The Anti-virus Scam. Match the words and their definitions.

- | | |
|-----------------------------|---|
| 1. <u> K </u> unsolicited | A. requiring immediate attention |
| 2. _____ official | B. having a virus or disease |
| 3. _____ threat | C. to take computer software (from a CD, for example) and place it in its permanent location from where it will be executed |
| 4. _____ to detect | D. computer software that removes viruses |
| 5. _____ virus | E. a state of sudden fear or alarm |
| 6. _____ anti-virus | F. to transfer information from a website to a computer |
| 7. _____ infected | G. to urge or advise |
| 8. _____ to install | H. to gain unauthorized access to data in a computer |
| 9. _____ remote access | I. to find or discover |
| 10. _____ to download | J. aim or goal |
| 11. _____ urgent | K. a harmful computer program |
| 12. _____ to encourage | L. ability to access files from a remote computer that may be located anywhere in the world |
| 13. _____ objective | M. not asked for |
| 14. _____ to hack | N. a person or thing thought of as a likely cause of damage |
| 15. _____ panic | O. properly authorized |

G. Read about public service announcements and answer the questions.

Public service announcements, or PSAs, are short, non-commercial messages that provide information to the public. The information in a PSA is intended to benefit the intended audience, rather than the company that created it. For example, a PSA that provides health information differs from an ad that promotes the sale of a health product.

PSAs may be produced in many media forms, including film, video, audio or print.

1. Who might make a PSA, and why?
2. What are some examples of the kinds of information that you might find in a PSA?
3. Do you think people pay special attention to a PSA? Why?

H. 🎧 Listen to the PSA and answer the questions.

1. How does the caller identify himself?
2. What problem does the caller describe? What action does he recommend?
3. Who made the PSA?
4. Who is the intended audience?
5. What is the topic of the PSA?

I. 🎧 Listen to a police fraud specialist explain the scam in the PSA. Listen again and write your answers.

1. What is the name of the scam?
2. What does the caller offer to do for the victim?
3. What does the caller demand from the victim?
4. What happens after the payment is arranged?
5. What is the caller's main objective?
6. What three things should you do if you get a call like the one described in the PSA?

J. 📁 Search the Internet for information about current telemarketing or other scams, including the typical techniques, key words and phrases that are used. Select an example of one scam and make a list of typical techniques, key words and phrases for that scam. Present your findings to the class.

Suggested search terms: *common telemarketing scams in Canada; scams and fraud in Canada*

K. Working with a partner or in a small group, write a public service announcement about the scam you researched. Describe how the scam works and the warning signs. If your PSA is about a telemarketing scam, include a sample conversation that includes key words and phrases to convince the “victim” to agree to something. Present your PSA to the class. If possible, record your PSA and post it on YouTube.

Insurance



The activities in this section introduce the concept of insurance and its major elements. The activities provide opportunities to practice key terms and vocabulary items related to insurance, and explore two common types of insurance: health and auto.

The *Insurance* section includes four sets of activities:

How Insurance Works

Types of Insurance

Buying Extended Health Insurance

Buying Car Insurance

You can select activities to teach based on the needs and interest of the learners in your class. The activities can be used individually and do not need to be used in the sequence in which they are presented. You may also add your own activities where appropriate. Suggestions and ideas for extending or complementing the specific activities are included in the teaching notes.

You can complement the activities in this section with online activities at *English for Financial Literacy > Online Activities*.

The activities in this section relate to the following themes in *LINC 1–5 Curriculum Guidelines*:

- **Commercial Services and Business** (*How Insurance Works, Types of Insurance*)
- **Transportation** (*Buying Auto Insurance*)
- **Health and Safety** (*Buying Extended Health Insurance*)

Learning Outcomes

The sample learning outcomes below can help you plan a lesson or series of lessons about insurance. The outcomes are intended to guide you in defining areas of content and contexts for the language instruction. The financial literacy outcomes can help you determine the aspects of financial literacy to include in your instruction in order to facilitate learners' understanding, knowledge and competence. The language outcomes can guide you in selecting/designing language activities at CLB 3–5 that support financial literacy.

The activities included in this section are intended to support the outcomes below.

Sample Financial Literacy Outcomes	Sample Language and Numeracy Outcomes
<p>Understanding and knowledge</p> <ul style="list-style-type: none">• Understand vocabulary and concepts related to insurance (e.g., types of insurance)• Understand how insurance works (e.g., making a claim)• Recognize pros and cons of having insurance before making a decision to purchase it• Understand some details of specific types of insurance <p>Application</p> <ul style="list-style-type: none">• Identify the need for insurance• Identify benefits of having insurance• Identify factors that affect insurance premium• Find an insurance company, agent or broker to buy insurance from• Ask for information on specific details about type of insurance, insurance policy (coverage, costs)• Complete a form to request an insurance quote	<ul style="list-style-type: none">• Demonstrate comprehension of the gist, factual details and some implied meanings in a listening text about insurance• Describe how to make a claim (orally or in writing)• Participate in a small group discussion on pros and cons of obtaining specific kinds of insurance• Give simple advice on getting insurance• Identify factual details and inferred meanings in excerpts from an insurance brochure• Find information in an insurance quote form• Fill in a car insurance quote form• Find an insurance broker or agent in an online search

When planning a lesson or series of lessons, you can use the listed outcomes as they are or develop your own based on the needs and interests of the learners in your class. For ideas and strategies for conducting a needs assessment, see the *Instructor Guide*.

Background Information and Key Language Elements

You can use the background information about insurance to familiarize yourself with key insurance concepts and processes which are presented in learner activities in this section. For sources of more information on the topic of insurance or related classroom resources, please see the *Useful Websites* section.

The side bar below lists major language elements that you may want to introduce or review to support the thematic content of the activities.

What is Insurance?

Insurance is a means to reduce or eliminate the risk of potential loss or hardship. It can help cover the cost of unexpected losses stemming from property damage, theft or illness; it can also help provide dependants with money upon the insured person's death. Insurance, in general, works like a contract between the insured and the insurer: the insured makes payments (premiums) to the company, which assumes some portion of the risk. The premiums cover the insured in case something happens; the insurance company covers these potential costs with the revenues it collects from all those who have policies and pay premiums. The insurance company accepts risks on behalf of its clients, hoping the insured will not make a claim.

Types of Insurance

There are various types of insurance to cover different types of risks, but in general, two primary types can be distinguished: general insurance (covering property and physical assets) and life and health insurance. General insurance policies can cover, for example, a car, a house, or a cottage, and will compensate the insured for the loss of or damage to any of these physical assets. Life and health insurance, on the other hand, provides for the insured or his/her dependants in case of disability, illness or death. Commonly, we distinguish various types of insurance based on the situations they provide coverage for, such as travel insurance, extended health insurance, auto insurance, tenant insurance, home insurance, etc. The decision to get insurance will depend on a person's stage in life and specific circumstances. Most types of insurance are optional except for auto insurance, which is mandatory across Canada.

Making a Claim

The process of making a claim is different for different types of insurance. In general, when the insured files a claim, the insurance company reviews it and evaluates the loss or damage. A claim form and supporting documents need to be submitted by the insured. The company will pay the compensation depending on the evaluation of the loss/damage. If the policy has a deductible, the compensation amount will be reduced by the amount of the deductible.

It is important to point out that buying insurance is a complex decision and it is important to educate oneself about it. Insurance can be sold only by licensed brokers and agents, or direct writers. Also, federally regulated insurers must have a complaint-handling system in place.

Key vocabulary

value
risk
loss
damage
disability
injury
bodily harm
illness
liability
protection
insurance
coverage
policy
agent, broker
deductible
premium
insurer, insured
dependant
adjuster
quote

Verbs and verb collocations

to insure
to cover
to claim
to make a claim
to pay out

Possible grammar structures

participial adjectives
(*covered, insured, etc.*)
passive with *be* in
simple present
conditional sentences
(present)
time clauses with *when*

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with some of the concepts, terminology and processes related to insurance. The activities provide practice in vocabulary use, listening and speaking. These activities are generally appropriate for learners at CLB 4, but can easily be adapted for both CLB 3 and CLB 5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Understand vocabulary and concepts related to insurance (e.g., risk, loss, coverage)
- Understand how insurance works (e.g., how to make a claim)
- Locate an insurance company, agent or broker to buy insurance from

Corresponding CLB competencies

- 🗣️ CLB 4: Understand short descriptive or narrative communication on topics of personal relevance.
- 🗣️ CLB 4, 5: Understand common, sequentially presented instructions and directions related to ... situations of personal relevance (CLB 4); understand a range of spoken everyday instructions (CLB 5).
- 🗣️ CLB 4, 5: Give a set of simple ... instructions and directions to a familiar person (CLB 4); give instructions and directions for everyday activities and processes (CLB 5).
- 📖 CLB 4, 5: Get the gist, key information and important detail of simple explicit text (CLB 4); understand simple to moderately complex descriptive or narrative texts ... (CLB 5).
- ✍️ CLB 5: Write a paragraph to describe a ... procedure.

Procedures

A. This is a warm-up activity that introduces the topic of insurance. Elicit answers from learners and list examples on the board. Learners can work in pairs or small groups.

Answer to Question 3: Auto insurance is mandatory across Canada.

B. This exercise introduces key terms in insurance. Learners can complete the table individually or in pairs. Have learners use a dictionary to find the words to complete the table. Learners at CLB 5 can also write their own sentences with the new words. The words listed in the table can be used to define/explain what insurance is and why people buy it.

Answers:

1. People buy car insurance to **protect** their car.
2. Sophie's apartment is not **insured**. She doesn't have insurance for it.
3. A car, a computer, or an iPhone are **valuable** things.
4. A damage to someone's property or a theft is an example of a **loss** in insurance.
5. Peter's car insurance doesn't **cover** theft . If his car is stolen, the insurance company will not pay him.
6. Your home insurance can provide coverage for loss of or **damage** to your home and personal possessions.
7. Gina has a very good health plan at work. It has excellent **coverage**.
8. Anne always buys travel **insurance** when she travels outside Canada.

How Insurance Works

C. This text gives a brief explanation of how insurance works. You may need to explain the words in the glossary before reading the text; illustrate usage with examples. For CLB 5 learners, you could make it a listening activity, and have learners listen to you read the text and answer T/F questions.

D.

Answers:

1. People buy insurance only to protect their property. **F**
2. You have to pay a premium to be insured. **T**
3. You don't know what you are covered for; you can find out only when something bad happens. **F**
4. The insurer will compensate you for the loss or damage described in your policy. **T**
5. When you experience a loss, the insurance company will pay you out right away. **F**
6. Different types of risks will require different types of insurance. **T**
7. When you buy insurance, you need to check if the insurance agent has a licence. **T**

E. This listening text provides background information on how to make an insurance claim. Ask learners if anyone has ever made a claim and, if yes, what it involved and how complex the process was. Before listening, you may need to explain or review how to take notes of the most important details (e.g., use symbols and abbreviations, use point form, take note only of main words, organize notes visually). Explain new words if needed (*adjuster, supporting documents, pay out*). Have learners listen once; elicit the main idea of the text. You can also ask whether they think it is a complex process or not, based on what they have heard. Then, learners listen again and complete the task. You can ask learners to retell the steps in their own words. They can also take turns saying one sentence for each step at a time.

Answers:

1. Check your **policy** to see if your loss is covered.
8. You may have to wait up to several weeks for the insurance company to **pay out** the claim.
5. You may also need to provide **supporting documents**.
6. If it is necessary, an insurance **adjustor** will evaluate your loss or damage.
7. Depending on your policy, you may need to pay the **deductible**.
3. Your insurer will review your policy and tell you if you can make a claim.
4. Fill out a **claim form**.
2. Contact the **insurance company** you bought insurance from.

How Insurance Works

Transcript

A: Today we are talking to Gina, our insurance expert. Gina, what is the most common question you get about insurance?

B: I think the most frequently asked question is “How do you make an insurance claim?” People ask me about it all the time. I think it’s because there is not just one standard way to make a claim, so people get confused. How you make a claim depends on many factors. One of them is the type of insurance. For example, making a claim for car insurance is very different from making a claim for medical or dental insurance.

A: Right, but in general, are there any steps that are common to all kinds of insurance?

B: Oh, definitely.

A: Could you just give us an overview of what making a claim could involve? What should we do in case of a loss or damage?

B: Well, for a start, you need to check your policy and see whether or not the loss that you suffered is covered. So, for example, if your house was damaged in a flood, check if your policy has coverage for flood damage. If you are not sure, ask the insurance broker or agent you bought your policy from.

A: Ok, let’s say the damage that I suffered is covered. What do I need to do next?

B: You need to contact the insurance company and let them know that you want to make a claim. You shouldn’t wait or put it off because most insurance companies have time limits for submitting a claim. Once you contact them, they will review your policy and ask you to provide all the necessary information. For example, they can ask you to fill out a claim form. Also, depending on the situation, you may need to submit the documents to support your claim. Let’s look at this example. You travel overseas, so you buy travel insurance. Your luggage gets lost at the airport, so you make a claim. The insurance company will ask you to submit an incident report made by the airline or airport personnel to support your claim.

A: Oh, I see. What about the value of the damage or loss that I claim?

B: The insurer will have their expert assess how big the loss or damage is. This person is called an adjuster. He/she will make an appraisal – a formal evaluation of the loss or damage, including its description and monetary value. Once this is done, your claim can be processed.

A: And what about insurance policies with a deductible?

B: Hmm, good point. If you have a deductible on your policy, you will have to pay it first. I mean, first the insurance company assesses the damage or loss and calculates how much they will compensate you for. Then, they subtract the amount of the deductible on your policy and pay you what is left.

A: And how soon can you expect to receive the payment from the insurance company?

B: Well, it can vary, but sometimes it can take up to a few months to be paid out. It really depends. Each claim is different.

A: Well, Gina, you gave us a lot of useful information. Thank you very much.

B: Oh, my pleasure.

How Insurance Works

F. Learners at CLB 4 can copy the sentences from part E in the correct order. Learners at CLB 5 can write a paragraph describing the process of making a claim. You can also use this activity to review sequencing expressions such as *first, then, after that, next, finally*.

Beyond the classroom

1. ⓘ Ask learners to observe how insurance is advertised in various media (print, TV, radio, online, street advertising). You can ask learners to bring print ads and identify the insurer, type of service advertised, and contact information. Learners at CLB 5 can also identify the techniques used to entice potential clients (e.g., using *you*, referring to personal situation, family life, etc., and using words such as *protect, care, etc.*).

2. ⓘ Discuss with learners who they would buy insurance from, and what they should pay attention to when dealing with an insurer (an agent/broker must be licensed). Have learners search online for licensed insurance companies, agents or brokers. Learners can access the Financial Services Commission of Ontario website and the *Licensed Representatives Listing* at <http://www.fsco.gov.on.ca/en/auto/Pages/default.aspx>. Learners can also bring in names of insurance companies they found in local media and locate them on the licensed representatives list.

A. With a partner, discuss these questions.

1. Do people in the country you come from buy insurance? What kinds?
2. In what situations is it important to have insurance? Give examples.
3. Do you know what kind of insurance you must have by law in Canada?

B. Use a dictionary to complete the table with the missing words. Then, complete the sentences below.

NOUN	VERB	ADJECTIVE
insurance	_____	insured
value	value	_____
loss	_____	lost
_____	protect	protected
coverage	cover	covered
damage	_____	damaged

1. People buy car insurance to _____ their car.
2. Sophie's apartment is not _____. She doesn't have insurance for it.
3. A car, a computer, or an iPhone are _____ things.
4. A damage to someone's property or a theft is an example of a _____ in insurance.
5. Peter's car insurance doesn't _____ theft . If his car is stolen, the insurance company will not pay him.
6. Your home insurance can provide coverage for loss of or _____ to your home and personal possessions.
7. Gina has a very good health plan at work. It has excellent _____ .
8. Anne always buys travel _____ when she travels outside Canada.

C. Read the text. Use the glossary if needed.**Glossary**

claim: a notice to the insurance company requesting coverage for loss or damage

coverage: amount of protection that the insured buys; the maximum amount of money the insurance company will pay out when a claim is made

deductible: the amount of your claim you agree to pay before the insurance company pays the rest

insurance agent: a person representing one insurance company and selling its insurance products

insurance broker: a person or company who sells insurance products for various companies

insurance policy: a legal contract between the insurance company and the client (the insured)

insurer: insurance company

premium: an amount paid for insurance; it can be paid monthly, quarterly or annually

HOW INSURANCE WORKS

People buy insurance to protect their home, car and other valuable things. They also buy insurance to protect themselves and their family members. Insurance can help to cover the costs of unexpected events or provide family members with money when someone dies.

When you buy insurance, you pay a fee every year or month called a premium. The insurance company, also called the insurer, agrees to cover the costs when an event for which you are insured happens. The details of what is insured and for how much are outlined in a contract—your insurance policy. Insurance pays only for the types of losses described in your contract. It is very important that you read your policy and/or talk to your insurance representative about what you are and aren't covered for. When you experience a loss, you need to make a claim to the insurance company. Your claim will be reviewed by an adjuster and, if everything is approved, the insurer will pay you the money to cover your loss. Sometimes, it takes several months before the insurer pays your claim.

If your policy has a deductible, you will need to “pay” it first. For example, if you have a car insurance policy with a \$500 deductible, your insurer will pay for the damage minus \$500.

There are many different types of insurance covering different types of risks. The type of insurance you should get depends on your stage of life and circumstances. For example, if you are young and single, with no dependants, you likely do not need life insurance. If you drive, you will have to have car (auto) insurance. If you travel outside Canada a lot, you may need travel insurance. And if your job doesn't provide you with a health benefits plan, you might want to get medical and dental insurance.

You can buy insurance from an insurance agent, insurance broker or a direct seller. In Canada, anybody selling insurance must be licensed. When you decide to buy insurance, make sure that you check if the insurer has a licence.

D. For each statement below, circle T (True) or F (False). In the text, find the sentence that supports your answer.

- 1. People buy insurance only to protect their property. T F
- 2. You have to pay a premium to be insured. T F
- 3. You don't know what you are covered for; you can find out only when something bad happens. T F
- 4. The insurer will compensate you for the loss or damage described in your policy. T F
- 5. When you experience a loss, the insurance company will pay you out right away. T F
- 6. Different types of risks will require different types of insurance. T F
- 7. When you buy insurance, you need to check if the insurance agent has a licence. T F

E. 🎧 Listen to the insurance broker explain how to make a claim; take notes and compare with a partner. Listen again and complete the sentences below with the correct words. Then, put the sentences in the right order.

insurer	policy ✓	claim form	pay out
insurance company	adjuster	supporting documents	deductible

- 1. Check your *policy* to see if your loss is covered.
- ___ You may have to wait up to several weeks for the insurance company to _____ the claim.
- ___ You may also need to provide _____.
- ___ If it is necessary, an insurance _____ will evaluate your loss or damage.
- ___ Depending on your policy, you may need to pay the _____.
- ___ Your _____ will review your policy and tell you if can make a claim.
- ___ Fill out a _____.
- ___ Contact the _____ you bought insurance from.

F. Write a paragraph explaining how to make a claim. Use expressions to signal the order of steps to take, e.g., first, after that, then, as a second step, finally.

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with different types of insurance and provide opportunities to consider and discuss needs for insurance in specific situations. The activities in this series are appropriate for CLB 3, 4 and 5. To make the activities challenging and interesting at CLB 5, you will need to set higher expectations for learners' performance.

Targeted financial literacy competencies

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Discuss pros and cons of having insurance
- Identify the need for specific types of insurance
- Understand some details of different types of insurance
- Ask for information on details about type of insurance and insurance policy (coverage, costs)

Corresponding CLB competencies

- 🔊CLB 3: Give an expanding range of simple warnings ... and cautions.
- 🔊CLB 3, 4: Ask for and give information about needs and feelings related to ... everyday activities.
- 🔊CLB 3, 4: Give simple (CLB 3) short (CLB 4) descriptions of ... experiences, situations or simple processes.

Procedures

A. You can precede this warm-up activity with a brief discussion on what types of insurance learners are familiar with and, possibly, have bought. You can also elicit whether buying insurance for different purposes is common in countries they come from.

The purpose of this activity is to identify various situations that would be considered as losses according to different insurance policies. Learners can work in small groups or pairs. They can first brainstorm examples for each term and then decide which of them would require insurance. 🔊

B. In this vocabulary-matching exercise, learners identify what each type of insurance covers. You can extend this activity by asking learners to write definitions of specific types of insurance.

Answers:

1. g 2. a 3. b 4. f 5. d 6. e 7. i 8. c 9. h

Note: auto insurance is also called automobile or car insurance. Health insurance here means extended health insurance, which usually includes dental insurance.

C. This activity builds on the previous one and provides definitions for different types of insurance. You could choose either of these two activities if you find that the learners are familiar with the concept of types of insurance for various purposes.

Answers:

- | | |
|---------------------|-------------------------|
| 1. home insurance | 5. tenant insurance |
| 2. travel insurance | 6. disability insurance |
| 3. car insurance | 7. health insurance |
| 4. life insurance | 8. mortgage insurance |

Types of Insurance

D. This is a discussion activity that can be done in pairs or small groups. You can assign one or two situations to each group or have all learners discuss all situations. Ask learners to consider and list the possible reasons why someone might or might not need insurance. For example, in #1, Cathy might need insurance because she is traveling outside Canada; she could get sick there, lose her luggage, be in an accident, etc. She might not need insurance because it is a safe place, with high standards and a good reputation.

Possible answers:

1. travel insurance
2. tenant insurance
3. health insurance, life insurance, disability insurance
4. home insurance, life insurance, disability insurance
5. car insurance
6. health insurance (for visitors to Canada)

To extend this activity, ask learners to come up with situations for each type of insurance. Learners can do this in small groups/pairs and then quiz the other group/pair on the type of insurance required for each situation.

E. Learners can discuss their insurance needs in pairs or small groups. You could use this activity to review language for offering advice (*you should, it is a good idea, you could, maybe you need, etc.*).

Beyond the classroom

1. Have learners locate ads that mention insurance companies and their services. Learners can scan local newspapers and magazines or watch TV to identify and take notes of the required information. They can complete a table (see a sample below) and present it to the class.

Insurance company	Type of insurance	Contact (telephone, website)
1.		
2.		
3.		

Learners can also locate an insurance broker or agent who sells the type of insurance they would need.

2. Invite an insurance broker or agent to speak about different types of insurance. Ask learners to prepare questions about situations when a specific type of insurance would be needed, e.g., *I'm travelling to ... for a vacation. Will I need insurance? What does it cover?*

A. There are many different types of insurance. The type of insurance depends on what is protected (coverage). It also depends on the kind of risk.

Read the terms below used in relation to different types of insurance. For each term, give an example that could require insurance coverage.



Example: *theft—a stolen bike; robbery at somebody's home; break-in to somebody's hotel room*

damage to property: _____

illness: _____

disability: _____

personal injury: _____

loss: _____

B. Read the list of types of insurance and match each type with what it protects.

TYPE OF INSURANCE

WHAT IS COVERED

- | | |
|-----------------------------|---|
| 1. ___ home insurance | a. you, other drivers, your car and other drivers' cars |
| 2. ___ auto insurance | b. the home you rent |
| 3. ___ tenant insurance | c. financial support for your family when you die |
| 4. ___ health insurance | d. any problems when you travel outside of Canada |
| 5. ___ travel insurance | e. lost income when you are unable to work because of an accident or illness |
| 6. ___ disability insurance | f. medical and dental expenses not covered by government medical insurance such as OHIP |
| 7. ___ business insurance | g. the home you own |
| 8. ___ life insurance | h. the mortgage for the house you bought |
| 9. ___ mortgage insurance | i. the business you own |

C. Match the types of insurance with the definitions below.

health insurance	home insurance	travel insurance	disability insurance
life insurance	tenant's insurance	auto insurance	mortgage insurance

1. _____ insurance that protects your home
2. _____ insurance that covers problems when traveling abroad
3. _____ insurance that covers you and other drivers in case of traffic accidents
4. _____ insurance that provides financial support to your family when you die
5. _____ insurance that protects the property you rent as a tenant
6. _____ insurance that gives coverage when you cannot work for a long period of time because of injury or illness
7. _____ insurance for medical and dental expenses not covered by basic government health insurance
8. _____ insurance that protects a mortgage; it is required by lenders if a down payment is less than 20 percent of the house price



D. Read the situations and decide if the person/family needs insurance. If yes, decide what type of insurance they need. Give your reasons.

1. Cathy is planning to travel to Mexico on vacation. She has bought an all-inclusive vacation package with a large, reputable travel agency. She will stay in a five-star resort.
2. Muti and Nayeet are renting their home downtown. It is a two-bedroom apartment in a newly built condominium with a security monitoring system. Their neighbourhood is quite busy because it is close to the subway and train.
3. Gina and Manuel have three children, aged two, five and 12. Manuel has a well-paid job as a freelance computer specialist. Gina is a homemaker. One of their children has allergies and asthma; the other two are generally healthy.
4. Noemi is a single mother with one daughter. She has a full-time, well-paid job; she also owns a house. She has no relatives living in Canada. Her friends are the only people she can count on in case of emergencies.
5. Tomas is single. He has two part-time jobs with no benefits. He rents an apartment with his girlfriend. He owns a car and some furniture. He is planning to start a family soon.
6. Maria and Stefan have invited Stefan's father to visit them in Canada. He will stay with them for two months in summer. He is 75 years old and generally healthy, but he has high blood pressure.

E. Consider your personal or family situation and determine what type of insurance you might need. Compare and discuss with a partner.

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with OHIP coverage and the possible need for extended health insurance, as well as to understand some basic statements from a health insurance policy (coverage and eligibility). The listening activity can be used with CLB 3 learners. The activities involving reading are appropriate for learners at CLB 4 and CLB 5.

Targeted financial literacy competencies

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Identify the need for extended health insurance
- Understand some details of extended health insurance policy (coverage, eligibility)

Corresponding CLB competencies

- 🗣️ CLB 4: Understand short descriptive or narrative communication on topics of personal relevance.
- 📖 CLB 3–5: Get information from short (CLB 3, 4) and simple to moderately complex (CLB 5) business or service texts.
- 🗨️ CLB 4, 5: Make and respond to a range of requests and offers (CLB 4); give and respond to informal requests ... and advice (CLB 5).

Procedures

A. ① This short discussion activity helps learners understand/review what OHIP coverage is. They can use their own experience to give examples of services that are covered. You can have learners compare their answers to the information presented online on the Settlement.org website. Alternatively, you could ask learners at CLB 5 to search for information on OHIP coverage by asking them to search for the answers to specific questions, e.g., *Will your contact lenses be covered by OHIP? Does OHIP cover dental services?* This could be a good opportunity to introduce passive statements with be in simple present tense:

OHIP covers surgeries. → Surgeries are covered by OHIP.

B. This dialogue introduces the situation where a family may need extended health insurance. You can ask learners to retell the main points of the conversation for additional speaking practice. You can also ask learners about workplace health plans: Does anyone have one? What do they cover? How do premiums work?

To extend this activity, learners can also discuss whether or not Mihela's family needs extended health insurance and provide reasons to support their opinion. They can also provide other examples of situations when extended health insurance might be necessary.

🗣️ Transcript

Mihela: Hello!

Counsellor: Oh, hello, Mihela! How are you?

M: Oh, not bad at all. And you?

C: Good, thank you. How can I help you?

M: Well, I just wanted to ask you about something. I have two kids and with this winter weather, they get sick all the time.

C: Oh, I'm sorry to hear that.

Buying Extended Health Insurance

M: Well, the problem is that medications are very expensive. The doctor told me to check some kind of insurance that could pay for them. I thought I would ask you about it. I don't remember the name of this insurance, though.

C: Hmm, I think he meant extended health insurance.

M: Yes, that's what he said.

C: Oh, okay. So, what do you need to know?

M: Hmm, well, what is it and what does it cover? And how expensive is it?

C: Well, in general, extended health insurance pays for services that are not covered by OHIP. For example, OHIP will pay for the medical treatment from your family doctor or a specialist, but will not cover the prescribed medication. Also, it will not cover all the cost of physiotherapy, dental treatment or eyeglasses. I'm giving you just a few examples, so you can get an idea.

M: Oh, I get it. I didn't know that.

C: Right. So, the extended health insurance will cover these things and more. You can buy it from insurance companies that offer this type of product. But, before you do, does your husband have benefits at his work? They could give you some coverage.

M: No, unfortunately. He works on contract.

C: Oh, I see. Well, why don't you read about your options first and then maybe talk with your husband and decide? Here, I can give you this brochure. It lists typical services covered by extended health insurance. You can read it and decide if it is worth getting the insurance. Oh, and one more thing. Each insurance plan is different—with different coverage and different premiums—so you need to do your homework and research it well. I can help you with that if you want me to.

M: Oh, that would be great. Sometimes I don't understand everything because the language used in insurance is difficult.

C: Oh, yeah, that's true.

M: Anyway, thank you for your help.

C: No problem. See you later, Mihela.

M: Bye.

C. The reading in this activity is an adapted excerpt from a medical plan brochure. Learners may need to look up meanings of unfamiliar words. You can make a list of vocabulary items and assign them to pairs of learners, then have them present the meanings and provide examples of words used in sentences. You can post a list of key vocabulary for future reference.

D. Have learners answer T or F and find the place in the text that supports their answer. To extend this activity, you can have learners write sentences about the coverage offered by this specific plan.

Answers:

1. This plan covers both medical and dental services. F
2. This plan is good for a family with two children who get sick often and require prescription medication. T
3. This plan will provide a private room in a hospital for someone after a surgery. F
4. If you use the services of an acupuncturist, this plan will cover them. F
5. If you break a leg and need special equipment, it will not be paid for by this plan. F
6. This plan will cover physiotherapy without a doctor's prescription. F

Buying Extended Health Insurance

E. Similarly to Part C, this reading is an adapted excerpt from a medical plan brochure. Discuss with learners terms such as *dependant*, *legally married*, *disabled*.

Answers:

1. Marco's wife and children—they are not covered under provincial health insurance
2. ---
3. Tuula's older son—he's studying part time
4. Marina—she's not married to Muti

To extend activities C and E, have learners work in pairs on a role play, where one learner is a client and another is an insurance agent with a brochure. The client asks questions about coverage in various situations; the agent uses the brochure to provide answers.

Beyond the Classroom:

1. Ask learners to access examples of extended health insurance pamphlets providing information about coverage. An example of a website with this information is <http://www.healthquotes.ca>. This website gives an overview of a few extended health care plans. Learners can also watch a tutorial video demonstrating how to get a quote: <http://www.healthquotes.ca/insurance-videos.aspx>. You could develop a set of comprehension questions targeting very specific details and have learners write down the answers while watching the video. This could also be done as a home assignment.
2. Ask learners to access an application form for an extended health insurance plan (learners could use the same website as above; there are five different forms to choose from). Have learners identify parts of the form and discuss the information that needs to be provided in the Medical Information part.

A. In small groups or pairs, discuss answers to the questions.

1. What is OHIP?
2. What services does OHIP cover? Name a few.
3. What services are not covered by OHIP?
4. What type of insurance plan can cover those services?

B. Listen to the conversation between a LINC student and an ISAP counsellor and answer the questions below.

1. What type of insurance is Mihela interested in? Why?
2. What does the extended health insurance pay for?
3. Where can Mihela buy this type of insurance?
4. How are extended health insurance plans different?
5. What other option provides coverage similar to the extended health insurance?

C. Read a part of the brochure on the Take Care Medical Plan.**Health care services insured by the *Take Care Medical Plan* include:**

- prescription drugs/medicines
- semi-private hospital accommodation
- special nursing services
- ambulance services
- hospital and medical expenses incurred outside of Canada
- artificial limbs, prostheses and medical appliances
- wheelchairs and other durable equipment (splints, crutches and fibreglass casts)
- specified medical or paramedical services that fall outside of OHIP (services from chiropractors, physiotherapists, podiatrists, osteopaths and optometrists)—prescription required
- vision care (eyeglasses and contact lenses)

Expenses for dental services are covered under a separate *Take Care Dental Plan*.

D. For each statement below, circle T (True) or F (False).

- | | | |
|---|---|---|
| 1. This plan covers both medical and dental services. | T | F |
| 2. This plan is good for a family with two children who get sick often and require prescription medication. | T | F |
| 3. This plan will provide a private room in a hospital for someone after a surgery. | T | F |
| 4. If you use the services of an acupuncturist, this plan will cover them. | T | F |
| 5. If you break a leg and need special equipment, it will not be paid for by this plan. | T | F |
| 6. This plan will cover physiotherapy without a doctor's prescription. | T | F |

E. Read another part of the Take Care Medical Plan brochure. Discuss the situations below, and circle the dependants who do not meet the requirements of the plan and are not covered. The names of plan members are in bold.

Eligibility requirements:

To be covered under this policy, an individual who is a member of the plan must be:

- a resident of Canada
- covered under provincial health insurance

Other persons (dependants) covered must be:

- legally married to a plan member or in a civil union
- children under 19 (or older if they are full-time students or disabled)

1. **Marco** arrived in Canada as a permanent resident two years ago. His wife and two children joined him two months ago. They will receive their OHIP cards in 30 days.
2. Mihela and **Jan** have been living in Ottawa with their two children (aged two and five) for the last three years. Jan has a job as a computer specialist while Mihela is a homemaker. She also attends LINC classes.
3. **Tuula** is a single mother with two children. Both of her sons are grown up and study at the university. Her older son is working as a bookkeeper and studying part-time at the same time.
4. **Muti** is a restaurant chef. He is engaged to Marina. They are planning to get married next year.

Objective(s) and CLB level

The objective of this series of activities is to help learners understand the basic concepts of auto insurance, how it works, and what affects an auto insurance quote. The activities are appropriate for CLB 4 and 5.

Targeted financial literacy competencies

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

Understand how auto insurance works

- Ask for information about specific details related to auto insurance
- Identify factors that affect auto insurance premiums
- Complete a form to request an auto insurance quote

Corresponding CLB competencies

- 🔗 CLB 4: Understand short descriptive ... communication on topics of personal relevance (CLB 4); understand information on ... relevant topics (CLB 5).
- 📖 CLB 5: Access and locate basic information from reference sources (online).
- 📖 CLB 3–5: Get information from short (CLB 3, 4) and simple to moderately complex (CLB 5) business or service texts.
- 📖 CLB 3–5: Get information from simple (CLB 3, 4) to moderately complex (CLB 5) formatted texts.

Procedures

A. This quiz reflects some common misconceptions about auto insurance. You can ask learners who drive and have car insurance to share what they know about it with the rest of the class.

Answers:

- A. No. Personal belongings left in the car would be covered under home/tenant insurance.
- B. Yes. This is because driving in a large city involves more risk.
- C. No. Auto insurance is mandatory across Canada, but provinces and territories have very different regulations regarding coverage and types of policies required.
- D. No. The cost of insurance depends on the type of car and the risks associated with it, plus other factors.

B. You may need to precede this activity with How Insurance Works, especially with learners at lower CLB levels, to introduce the basics of insurance. Explain all terms in the glossary and ask learners to look up the difficult terms in bilingual dictionaries, if needed.

Answers:

1. Auto insurance is **mandatory** in all Canadian provinces and territories.
2. If you are in a collision and your car is damaged, you may need to **make a claim** to the insurance company.
3. Your insurance **coverage** depends on many factors, including how old your vehicle is.

Buying Auto Insurance

4. Your insurance **policy** provides information about what is covered by the insurance company and what kind of benefit you will receive when you make a claim.
5. If you want to protect your vehicle against theft, you need to buy **comprehensive insurance**.
6. When you make a claim and the insurance company decides to cover the cost of your losses, you will have to pay the **deductible** first.

C. This short talk on auto insurance explains the basics of auto insurance coverage in Ontario. It is appropriate for learners at CLB 4 and 5. Have learners listen once and elicit the topic of the talk (auto insurance in Ontario) and its main ideas (mandatory coverage, how to buy auto insurance). Then, play the talk as many times as needed and have learners complete the note page with missing details; learners at CLB 5 can take notes while listening (with no support). Learners can compare their notes in pairs. After that, ask learners to answer questions about specific details (see the questions below). Alternatively, learners can write their own questions and quiz each other (or another pair) on the content of the talk.

Questions:

1. How does auto insurance vary from province to province?
2. Name three types of coverage that are mandatory in Ontario.
3. What does third-party liability coverage pay for?
4. What is covered by accident benefits coverage?
5. What does property damage pay for?
6. What are some other types of auto coverage that are not mandatory in Ontario? What do they pay for?
7. How can you check whether or not your broker is licensed in Ontario?
8. What do you need to compare when you shop around for auto insurance?
9. Give a title to the talk.

To extend this activity:

1. You could ask learners to retell the information included in the talk in groups, e.g., assign subtopics to different learners in each group. Learners can also write a paragraph to summarize a talk.
2. You can have learners listen for the discourse markers used to signal various parts of the talk/presentation.
3. You could use this talk to review present real conditionals (if + simple present, simple future). Learners can write sentences about various situations and consequences using conditional sentences, e.g., If you are found driving without auto insurance, you will pay a fine. If someone gets injured in an accident, accident benefits coverage will pay for their rehabilitation.

🔊 Transcript

Today I'm going to speak about auto insurance. Auto insurance, as we often call car insurance, is the only insurance that is mandatory by law in all Canadian provinces and territories. It does, however, vary from province to province, and what is required in British Columbia may be quite different from the requirements in Ontario. Some provinces have government auto insurance plans and others don't. Today I'll focus on car insurance in Ontario.

Buying Auto Insurance

In general, if you own a vehicle, you must have auto insurance. Driving without valid auto insurance is a serious offence. If you are found driving without auto insurance, you will get a fine that can be anywhere from \$5,000 to \$50,000. You can also have your driver's license suspended or vehicle impounded, which means it's taken away from you. In Ontario, you must have a policy with three types of coverage: liability coverage (known as third-party liability), accident benefits coverage, and property damage coverage. Now, let me talk about each type of coverage.

Liability insurance protects you because it will pay for claims against you when someone else is injured or killed, or their property is damaged. By law, the minimum third-party liability coverage is \$200,000.

Accident benefits coverage provides you with benefits if you are injured in an accident. For example, this coverage will pay for medical and rehabilitation expenses, or a caregiver, or it will pay some money in place of your lost income.

And finally, property damage coverage pays for damage caused to your car or its contents, and for the cost of a rental car (to drive while your car is being repaired) when someone else was at fault for the accident. This coverage is called direct compensation because even though someone else caused the accident, you get paid directly from your own insurer. However, you will not be compensated if the other driver was not insured.

In addition to these three mandatory types of coverage, you can buy collision or comprehensive insurance that will give you more protection. For example, it will protect you if you get injured by an uninsured driver, or pay for theft or vandalism to your car.

When you buy auto insurance, remember to do your homework and consider these factors:

First, insurance can be sold only by a licensed broker or agent, or insurance company. You can check if your broker is licensed on the Registered Insurance Brokers of Ontario website.

Second, compare rates, coverage and service. This means you need to shop around, compare policies and ask questions about anything you are not sure of.

And finally, you should feel comfortable and confident about your insurance purchase. Make sure that your broker or agent will take time to answer your questions and can be reached when you need him or her.

D. This activity provides practice in asking questions about specific details (wh- questions). Have learners work in small groups or pairs and prepare questions.

E. As a warm-up for this activity, have learners discuss what information they think needs to be provided when applying for an auto insurance quote. Then, ask learners to read the form. This activity can be done online. You could display the form using an LCD projector and have learners discuss the specific parts of the form. Elicit the meanings of some words that may require review, e.g., mileage, traffic violation, ticket, annual, cancel.

F. Learners can work in pairs or small groups. First, they can identify the factors on the form and decide which ones will decrease or increase the cost of insurance. Then, they can come up with other factors not mentioned here.

Factors that will impact the cost of insurance:

- distance driven (e.g., to work, recreational)
- annual mileage
- model and make of a car
- your age, gender, marital status (young, single males usually pay higher insurance premiums than middle-aged,

Buying Auto Insurance

- married females)
- driving experience
- driver training certificate (can decrease insurance premiums)
- any accidents or traffic violations
- occasional drivers added to your policy (especially young drivers, such as your son or daughter)
- location (e.g., Toronto vs. rural areas)
- years as a client of the insurer

Ask learners to complete the form using personal information and compare with a partner which factors might increase or decrease the possible cost of their auto insurance. Have learners make sentences about their personal situation and factors that could possibly increase/decrease their insurance quote.

Beyond the classroom

1. Ask learners who have auto insurance to bring their policies to class; have learners in small groups examine the types of coverage and their specific details. Learners can prepare a set of questions about coverage to ask an insurance broker. Invite a broker/agent to speak about types of auto insurance.
2. ① Ask learners to check what information is required when requesting an auto insurance quote online. They can access various insurers' websites and see what questions are asked or what forms need to be completed. Have them bring the results of their research and share with the class.
3. Learners can contact insurance brokers or agents and get a general quote for auto insurance. Tell learners to inform the broker or agent they speak to that they are getting information for a school project/assignment. Learners will need to choose a specific car (make, model) they want to get a quote for. Then they can contact the broker/agent and get a quote providing the required information. Typically, the broker's questions will be about the driver's gender, age, driving experience and likely driving distance. Practise asking questions and strategies for clarifying or indicating non-comprehension. Learners can also choose two cars and get information about the cost of insurance for each. Then they can present the results of their research to the class.

A. Take the quiz below and compare your answers with a partner.

How much do you know about auto (car) insurance in Canada? Find out now.

- | | | |
|--|-----|----|
| A. You left your iPad in the car and it was stolen. Your car insurance will cover it. | YES | NO |
| B. Car insurance costs less in a large city than in a small town in the same province. | YES | NO |
| C. All Canadian provinces and territories have the same auto insurance regulations. | YES | NO |
| D. You will pay less car insurance for a domestic car than for a foreign one. | YES | NO |

B. Read the glossary and complete the sentences below with correct words.

Glossary

accident benefits/bodily harm insurance: insurance that covers the cost of your medical expenses and loss of income after an accident

collision insurance: insurance that pays for damage to your car

comprehensive insurance: insurance that covers theft, vandalism and other losses

liability insurance: insurance to cover losses you may cause to others in an accident

mandatory: obligatory; required by law

policy: a legal contract between you (the insured) and the insurance company (the insurer)

premium: amount of money you pay to buy insurance; you can pay it monthly, quarterly or annually

coverage: the amount of money you are insured for

claim: an official notice to the insurance company to request compensation for your loss in an accident; you make a claim when you suffer a loss or damage in an accident; the insurer pays a claim.

deductible: an amount that you agree to pay before the insurance company pays the rest

1. Auto insurance is _____ in all Canadian provinces and territories.
2. If you are in a collision and your car is damaged, you may need to _____ to the insurance company.
3. Your insurance _____ depends on many factors, including how old your vehicle is.
4. Your insurance _____ provides information about what is covered by the insurance company and what kind of benefit you will receive when you make a claim.
5. If you want to protect your vehicle against theft, you need to buy _____.
6. When you make a claim and the insurance company decides to cover the costs of your losses, you will have to pay the _____ first.

C. 🎧 Listen to the talk about auto insurance. Complete the notes from the talk with missing information.

Auto insurance is mandatory in _____

Some provinces have _____

Driving without auto insurance—illegal

Penalties: _____

In Ontario, 3 mandatory types of coverage:

Third-party liability coverage, _____ benefits coverage, property
_____ coverage

Liability coverage

Covers: _____

Minimum amount: _____

Accident benefits coverage

Covers: _____

Property damage coverage

Pays for: _____

Called direct compensation because: _____

Other types of coverage you can buy:

Three factors to remember when you buy car insurance:

1. _____

2. _____

3. _____

D. ⓘ With a partner or in a small group, make list of questions to ask an insurance agent when you buy auto insurance.

For example: *What coverage must I have by law?*
What type of coverage would you recommend for me?

Then, research typical questions about car insurance online. Compare your questions to those you read online. Search term: *car insurance questions + Canada (or: Ontario)*.

E. Before you decide to buy car insurance from a specific insurance company, you can shop around for a quote. A quote is the estimated cost of your insurance. To get a quote, you will need to provide specific information about yourself and anyone else driving your vehicle, as well as the vehicle itself, your driving record and your previous insurance. Read the form below. Circle the parts of the form that provide information about:

- a. you**
- b. your driving record**
- c. your insurance history**
- d. your vehicle**
- e. other drivers**

Your Car	
Make:	Model:
Year:	Distance driven one way to work:
Annual mileage:	Do you use your car for business? Y N
Vehicle Identification Number (VIN):	
Your Current Broker, Agent, or Insurance Company	
Name:	Company:
Phone:	Insurance policy number:
Coverage:	Deductibles:
Your current annual insurance rate:	
You (as principal driver)	
Gender:	Birth Date:
Marital Status:	
Number of years you have been licensed to drive in Canada or the U.S.:	
Your driver's licence number:	
Has your policy ever been cancelled for non-payment or any other reason? Y N	
Are you a first-time driver? Y N	
Did you receive a Driver Training Certificate? Y N	
List details of all accidents and claims in the past 6 years:	
List details of all traffic violations (not including parking tickets) in the past 3 years:	
Coverages:	Deductibles:
Occasional Drivers	
Gender:	Birth Date:
Marital Status:	
Number of years licensed to drive in Canada or the U.S.:	
Did they receive driver training? Y N	Do they have a Driver Training Certificate? Y N
List details of all accidents and claims in the past 6 years:	
List details of all traffic violations (not including parking tickets) in the past 3 years:	

Source: Understanding Automobile Insurance, Financial Services Commission of Ontario. Copyright Queen's printer for Ontario, 2011. Retrieved from: http://www.fsco.gov.on.ca/en/autol/brochures/Pages/brochure_autoins.aspx#one.

F. In small groups, discuss what factors may influence an insurance quote. Make a list of factors that will:

- a. increase the cost of insurance**
- b. decrease the cost of insurance.**

Financing Job Training



The activities in this section explore the topic of financing career training, specifically government programs available to people in different situations or who have specific needs, such as women, youth or persons seeking career change. The activities present basic information about the Apprenticeship Incentive Grant and the Second Career program in Ontario.

The *Financing Career Training* section includes two sets of activities:

Apprenticeship Incentive Grant

Job Training: Getting Financial Help

You can select activities to teach based on the needs and interest of the learners in your class. The activities can be used individually and do not need to be used in the sequence in which they are presented. You may also add your own activities where appropriate. Suggestions and ideas for extending or complementing the specific activities are included in the teaching notes.

You can complement the activities in this section with online activities at *English for Financial Literacy > Online Activities*.

The activities in this section relate to the following theme in *LINC 1–5 Curriculum Guidelines*:

- **Education**
- **Employment**

Learning Outcomes

The sample learning outcomes below can help you plan a lesson or series of lessons about financing career training. The outcomes are intended to guide you in defining areas of content and contexts for the language instruction. The financial literacy outcomes can help you determine the aspects of financial literacy to include in your instruction in order to facilitate learners' understanding, knowledge and competence. The activities included in this section are intended to support the outcomes below.

Sample Financial Literacy Outcomes	Sample Language and Numeracy Outcomes
<p>Understanding and knowledge</p> <ul style="list-style-type: none"> • Understand vocabulary and concepts related to financing career training • Understand how government financial assistance/ incentive programs work • Recognize how a specific program can benefit own employment/financial situation <p>Application</p> <ul style="list-style-type: none"> • Identify the program suitable for own financial/ employment situation • Identify eligibility criteria and ways to access the suitable program • Locate and access information about suitable government programs 	<ul style="list-style-type: none"> • Demonstrate comprehension of the gist, factual details and some implied meanings in a text about the Apprenticeship Incentive Grant • Describe how the Second Career program works • Find information in a flyer, brochure or formatted text • Ask for and provide information about details of the specific government program

When planning a lesson or series of lessons, you can use the listed outcomes as they are or develop your own based on the needs and interests of the learners in your class. For ideas and strategies for conducting a needs assessment, see the *Instructor Guide*.

Background Information and Key Language Elements

You can use the background information to familiarize yourself with key information about some of the government programs offered to help finance job training. For sources of more information on this topic or related classroom resources, please see the *Useful Websites* section.

The sidebar below lists major language elements that you may want to introduce or review to support the thematic content of the activities.

There are a number of government programs offering financial assistance for retraining, education and skills upgrading for unemployed and underemployed adults. Some programs target specific groups, such as laid-off workers, people receiving Ontario Works or Employment Insurance (EI) benefits, foreign-trained newcomers, and unemployed women and youth. There are also incentive programs, such as apprenticeship grants.

It may be difficult to access specific information about these programs and the amount of funding available, as eligibility criteria may vary from region to region, and decisions may be made on an individual basis. In spite of this, it is important to introduce these programs to learners, as they may not be offered the information by social services or settlement workers. In other words, learners may need to learn to ask the right questions to determine whether or not they can afford to go back to school.

Sample Programs:

- **Second Career Strategy** is for unemployed workers who are eligible to receive EI benefits and whose skills may no longer be in demand. It provides up to \$28,000 to support tuition, travel, books and other training-related costs, as well as continued EI benefits.
- **Skills Development Employment Benefits** are similar to the above, but target a different group, with different eligibility criteria.
- **Ontario Self-employment Benefit Program** provides training and income support for up to 42 weeks while participants implement their business plan.
- **Ontario Bridging Participant Assistance Program** is a pilot program that provides bursaries of up to \$5,000 to internationally trained individuals participating in eligible Ontario Bridge Training programs offered by Ontario colleges and universities.
- **Scholarships and Bursaries** may be offered by educational institutions based on academic excellence or financial need.
- **Ontario Student Assistance Program (OSAP)** is a program that offers grants and loans to post-secondary students who meet eligibility requirements.

Apprenticeship Grants are offered by the Government of Canada. Eligible apprentices could receive up to \$4,000, which can be used to pay for tuition, travel, tools or other expenses.

Key vocabulary and collocations

training, retraining
apprentice
apprenticeship
job skills
financial help
grant
taxable
expenses, savings
Proper names, abbreviations and acronyms
EI
Ontario Works
Human Resources and Skills Development Canada (HRSDC)
Red Seal
OSAP

Possible grammar structures

modal verb to express ability (*can*)
future with *will*
Related numeracy skills
Calculating income and expenses in a simple budget
calculating discounts

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with some of the concepts and terminology related to apprenticeship training and financial help. The activities provide practice in vocabulary use, reading and speaking. These activities are generally appropriate for learners at CLB 3.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Understand vocabulary and concepts related to the Apprenticeship Incentive Grant program
- Identify eligibility criteria and ways to access the program

Corresponding CLB competencies

 CLB 3: Get information from short and simple business or service texts.

 CLB 3: Understand the purpose, main idea, key information and some details in simple short texts ... related to personally relevant situations .

Procedures

This series of activities provides information on apprenticeship and related government financial assistance. For a list of apprenticeship trades, go to the Apprentice Trades website: <http://www.apprenticetrades.ca/EN/displayContent/default.asp>

Activities D, E, and F can be more appropriate for CLB 3 learners; all other activities are for CLB 4 learners.

A. This is a warm-up that introduces the topic. It can be done as a class or small group discussion. You may photocopy the poster beforehand or use it only for activities 4, 5 and 6.

B. Answers:

1 d 2 f 3 a 4 b 5 g 6 j 7 e 8 i 9 h 10 c

C. Learners can answer the questions individually or in groups; they can also write them. As the next step, you can ask learners to retell the information they just read.

D. Answers:

1. incentive	2. grant	3. grant
4. per year	5. up to	6. click
7. trades	8. apply	9. further

E. Answers:

1. apply 2. trades 3. grant 4. taxable 5. incentive 6. apprenticeship

G. Learners can discuss answers to these questions in pairs or as a whole class. You can ask them to use key search terms such as *apprenticeship success stories Ontario*. Then, you may need to assist them in choosing an appropriate story. These stories are about one page long, so they may be read by learners in pairs. Have learners introduce the person from the story, name their trade and give two or three details.

Beyond the classroom: Learners can search the Internet for a list of trades that are part of the apprenticeship or Red Seal programs.

A. Look at the poster below. Answer the questions.

1. What jobs do you see in the pictures?
2. How can people learn to do these jobs?
3. What other jobs can a person learn while working?

APPRENTICESHIP INCENTIVE GRANT



The Apprenticeship Incentive Grant

is a taxable cash grant of \$1,000 per year/level/block, up to \$2,000 per person.

For more information on the grant and how to apply:

CALL: 1 866 742-3644

TTY: 1 866 909-9757

CLICK: service.Canada.gc.ca

VISIT a Service Canada Centre

For further information on trades and apprenticeship programs, visit hrsdc.gc.ca/apprenticeship



Based on information from: <http://www12.hrsdc.gc.ca/p.5bd.2t.1.3ls@-eng.jsp?PID=84>

B. Read the article below. Match the words from the text with the definitions.**APPRENTICESHIP: WHAT DOES IT COST?**

Apprenticeship is one of the least expensive options for career training. Other post-secondary education options, such as university or college, can be costly. Often students have to take out student loans, and can graduate with large debt that they need to pay back. Apprenticeship is different. It is a program where an apprentice (a student) works for a period of time to learn on the job. Then, an apprentice attends a session at school. It can be a community college, a training centre or a technical institute. Some schools offer distance learning or in-school training on weekends or evenings. This way an apprentice can earn money and learn the trade.

Why is apprenticeship such a low-cost option? First, the tuition costs of in-school training are between \$200 and \$800. It depends on the trade and province/territory. Often the employer covers these costs. Second, an apprentice earns an income and his/her wages will go up each year. An apprentice has to pay only for books, equipment and transportation.

The Government of Canada helps apprentices pay for apprenticeship. It offers special loans, grants and scholarships. These can vary by trade and province/territory.

- | | | | |
|-----------|---------------|----|---|
| 1. _____ | postsecondary | a. | money that a person needs to return; money owed |
| 2. _____ | loan | b. | inexpensive |
| 3. _____ | debt | c. | be different |
| 4. _____ | low-cost | d. | after high (secondary) school |
| 5. _____ | tuition | e. | money that a person earns |
| 6. _____ | cover costs | f. | money that you borrow from the bank |
| 7. _____ | income | g. | money that students pay for courses |
| 8. _____ | grant | h. | money that a very good student can get as help |
| 9. _____ | scholarship | i. | money that the government gives to students as help |
| 10. _____ | vary | j. | pay for everything |

C. Find the answers for the questions below in the article.

1. What is apprenticeship?
2. What is the main difference between apprenticeship and studying at college or university?
3. Where can an apprentice get in-school training?
4. What are the costs of apprenticeship?
5. How does the Government of Canada help apprentices?

D. Below are the definitions of some words/phrases from the poster. Read the poster and find the words. Then, write them in the table.

1. _____ - something given to encourage you
2. _____ - money you don't need to repay
3. _____ - you will pay tax on it
4. _____ - in one year; each year
5. _____ - maximum
6. _____ - what you do when you use a computer mouse
7. _____ - occupations that involve skills and physical labour, for example a plumber, an electrician, a welder, a car mechanic
8. _____ - ask for by completing an application
9. _____ - more; additional

E. Complete the sentence below with the words from the box.

grant	apprenticeship	apply	taxable	trades	incentive
-------	----------------	-------	---------	--------	-----------

1. Tina needs to complete a form to _____ for an apprenticeship grant.
2. A plumber, a welder and a roofer are examples of construction _____ .
3. The Government of Canada gives a \$1,000 _____ to apprentices.
4. The grant Tina will get is _____. She will have to pay taxes on it.
5. An apprenticeship grant is an _____ for young people to get a job.
6. Juan will complete his _____ as an electrician soon.

F. Read the poster and answer these questions.

1. Who gives the Apprenticeship Incentive Grant?
2. How much money can you get in one year?
3. What is the maximum grant you can get each year?
4. How can you get more information about this grant? Give details.
5. Where can you get more information about trades or apprenticeship programs?

G. Read Jan's story and discuss the questions below.

Inspired as a teenager by television cooking competitions, Jan's dream was to become a chef. When she finished high school, Jan found a provincial apprenticeship program that allowed her to take cooking classes and register as an apprentice cook in the kitchen of a large hotel. Jan loved the combination of work and study. When she completed her first year, she received a bursary.

Jan continued to work and learn. With help, she improved her resume and interview skills. She applied for and received an Apprenticeship Incentive Grant. Under the supervision of a famous chef, she continued working at the hotel. Jan's strong work ethic and community service earned her a scholarship at a local culinary institute.

After she completed three levels of the in-school training with excellent marks, Jan applied for a culinary scholarship. As part of the application, she first had to write an essay. Then, she had to pass several challenging interviews. Her results were outstanding. She was selected and became an intern in the kitchen of a world-renowned hotel kitchen in Vancouver. At the young age of twenty-two, Jan is seeing her dreams become a reality.

1. What steps did Jan take to realize her dream?
2. What kind of financial help did she receive?
3. What proves that Jan was successful?
4. Do you think Jan worked hard for her success? How do you know?
5. Do you think apprenticeship is a good career option for high school students? Why?
6. Search the Internet for apprenticeship success stories. Read the stories and present them to the class.
Suggested search term: *apprenticeship success stories Ontario*

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with Second Career, the Ontario government program related to job training. The activities provide practice in vocabulary use and listening. These activities are generally appropriate for learners at CLB 4 and 5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Understand vocabulary and concepts related to the Second Career program
- Identify eligibility criteria and ways to access the program

Corresponding CLB competencies

- 🔗 CLB 4: Understand short communication intended to influence or persuade others in familiar, everyday situations (CLB 4); understand the gist and some details in moderately complex communication intended to influence or persuade in everyday personally relevant situations (CLB 5).
- ✍️ CLB 5: Write a paragraph to describe a ... procedure.

Procedures

These activities provide information about government programs (the Second Career and the Apprenticeship Incentive Grant) for learners who need to get financial assistance while getting job training. They are appropriate for CLB 5 learners. You could also photocopy the transcript below and use this dialogue as a reading text.

B. Learners can use dictionaries to find the meanings or, to save time, you can provide them before playing the transcript.

🗣️ Transcript

A: Hello, Ms. Rodriguez. Today, I'd like to ask you about government programs for people who need to further their education in order to get jobs.

B: Sure, I hope I can help. What would you like to know?

A: Well, given the current economic situation, where jobs come and go, people need to be flexible and sometimes change their careers in the middle of their lives. They can get laid off and have difficulty finding another job because the market has changed. They often look for another option and retrain so they can find a job. Could you tell us what, if any, forms of help are available for people in this situation?

B: Well, Ontario has its own program called Second Career. It was established by the government a few years ago to help people retrain and get a new set of skills, or a new profession, to be able to find a job. It has already helped thousands of people.

A: What help exactly is available through Second Career?

B: It includes counselling, or career guidance, and help in writing a résumé or preparing for an interview. But, most importantly, it offers financial help. In a nutshell, the Second Career program pays for training or education that someone would require to get a better job.

A: Can you tell us more about it?

B: Umm, first of all, you need to be eligible for this help. This means that you must visit an Employment Ontario assessment centre for an interview. There are some conditions that you have to meet and, once you get approved, you can receive the money.

Job Training: Getting Financial Help

A: So, what does the government pay for?

B: Again, it depends on somebody's individual situation. In general, the government can help pay for tuition, living expenses, transportation costs, the costs of books and other items, and expenses related to caring for dependants, such as children. A person can get up to \$28,000.

A: That sounds great. Where can we read more about it?

B: There is a website promoting the Second Career program, called, what else, SecondCareer.ca. Or, better yet, ask your employment counsellor about it.

A: That's really helpful! Ok, what about those who haven't worked yet? I mean young people who want to get some on-the-job training that doesn't require going to school for a long time. Is there any program that would offer financial help for them?

B: Oh, definitely. They can enter an apprenticeship program. This is a program where a person learns a trade through on-the-job experience and some technical classroom training. After that, apprentices can receive a certificate of qualification. Depending on a trade, it can take two to five years to become certified. And for this period of time, the government offers financial help.

A: Can you give us some details?

B: Yes, an eligible apprentice can get up to \$4,000 in grants, which can be used to pay for tuition, travel, tools or other expenses. Again, you will need to contact the Ontario Ministry of Training, Colleges and Universities to get more information. You can find a lot of useful information on their website. There is even a brochure for foreign-trained tradespeople that explains how they can access their trades here, in Canada.

A: This has been really helpful. Thank you for all the information and talk to you soon.

B: Oh, not at all and good luck to all.

C. Answers:

1. T 2. T 3. F 4. F 5. T 6. F

In addition, you can ask learners comprehension questions targeting the specific details from the text.

D. Learners may need to listen to the interview two or three times. Pause the listening if needed.

Answers:

1. careers 2. retrain 3. be eligible 4. meet 5. apprentice 6. qualification

E. Explain/elicite what collocations are and list a few examples. Have learners guess the collocations before listening. Learners can also write sentences with these collocations.

Answers:

1. to further education 2. career guidance 3. individual situation 4. on-the-job training 5. apprenticeship program 6. become certified

F. Have learners write a paragraph or an email message. Pre-teach the basics of paragraph writing and basic steps in the process (first draft, revision, second draft, peer review, etc.). You can use learners' writing for assessment purposes.

A. Discuss the questions below.

1. When someone loses a job, what can they do to get back to work?
2. Do you know of forms of help the government offers to people who lose their jobs?
3. Where can someone get information about government retraining programs?

B. You will hear the words/phrases below in the interview with a counsellor. Explain their meanings.

1. laid off _____
2. retrain _____
3. establish _____
4. career guidance _____
5. in a nutshell _____
6. qualify _____
7. meet conditions _____
8. consider _____
9. trade _____
10. career _____

C. 🎧 Listen to the interview with a counsellor about kinds of financial help for retraining. Circle T (True) or F (False).

1. When people get laid off, they often look for another option and retrain to find a job. T F
2. The name of the government program is the Better Second Career. T F
3. The Second Career program offers help to all people who apply. T F
4. The average amount of financial help in the Second Career program is \$28,000. T F
5. An apprenticeship program is for people who want to learn a trade. T F
6. A person who qualifies can get up to \$4,000 in loans from the government. T F

D. 🎧 Listen to the interview again, and complete the sentences with the words you hear.

1. People need to be flexible and sometimes change their _____ in the middle of their lives.
2. They often look for another option and _____ so they can find a job.
3. Umm, first of all, you need to _____ for this help.
4. There are some conditions that you have to _____ and, once you get approved, you can receive the money.
5. Oh, definitely. They can enter an _____ program.
6. After that, apprentices can receive a certificate of _____ .

E. 🎧 Listen to the interview. You will hear some collocations (words that go together). Fill in the blanks with the words you hear.

1. to further _____
2. career _____
3. individual _____
4. on-the-job _____
5. apprenticeship _____
6. become _____

F. Write a paragraph describing one of the government programs the counsellor talked about in the interview. Provide the details.



Financing Post-secondary Education



The activities in this section explore the topic of financing post-secondary education. The activities present basic information on the costs involved in college/university education, possible spending needs, and student loans; they also provide opportunities to analyse and discuss budgeting strategies.

The *Financing Post-secondary Education* section includes three sets of activities:

College Is Expensive

A Student Budget

Student Loans

You can select activities to teach based on the needs and interest of the learners in your class. The activities can be used individually and need not be used in the sequence in which they are presented. You may also add your own activities where appropriate. Suggestions and ideas for extending or complementing the specific activities are included in the teaching notes.

You can complement the activities in this section with online activities at *English for Financial Literacy > Online Activities*.

The activities in this section relate to the following theme in *LINC 1–5 Curriculum Guidelines*:

- **Education**

Learning Outcomes

The sample learning outcomes below can help you plan a lesson or series of lessons about financing post-secondary education. The outcomes are intended to guide you in defining areas of content and contexts for the language instruction. The financial literacy outcomes can help you determine the aspects of financial literacy to include in your instruction in order to facilitate learners' understanding, knowledge and competence. The language outcomes can guide you in selecting and designing language activities at CLB 3–5 that support financial literacy.

The activities included in this section are intended to support the outcomes below.

Sample Financial Literacy Outcomes	Sample Language and Numeracy Outcomes
<p>Understanding and knowledge</p> <ul style="list-style-type: none">• Understand costs, needs and wants• Understand eligibility requirements, terms and conditions of student assistance programs• Understand consequences of financial decisions (e.g., spending)• Recognize how a budgeting tool can facilitate sound financial decision-making <p>Application</p> <ul style="list-style-type: none">• Research information about various student expenses and payments in order to budget• Compare costs of various educational options• Use a calculating tool to predict results of financial planning/decisions• Identify a budgeting/planning tool suitable for own purposes	<ul style="list-style-type: none">• Demonstrate comprehension of the gist, factual details and some implied meanings in a story about budgeting• Describe how advertising affects consumer choices• Participate in a small group/class discussion in order to plan a student budget• Identify factual details and implied meanings in a dialogue about the student's wants and needs• Demonstrate understanding of diagrams, tables and graphs (budgeting and calculating tools)• Follow a set of instructions to create a budget for a specific situation• Demonstrate comprehension of a short text about a specific financial assistance program• Complete a form related to loan application or payment

When planning a lesson or series of lessons, you can use the listed outcomes as they are or develop your own based on the needs and interests of the learners in your class. For ideas and strategies for conducting a needs assessment, see the *Instructor Guide*.

Background Information and Key Language Elements

You can use the background information to familiarize yourself with the key concepts related to financing post-secondary education that are presented in the learner activities in this section. For sources of more information on this topic or related classroom resources, please see the *Useful Websites* section.

The sidebar below lists major language elements that you may want to introduce or review to support the thematic content of the activities.

Costs of Post-secondary Education

Studying at a university or college can involve various costs. Depending on the program or school, tuition can vary from \$2,500 to \$8,000 or more per year. The cost of post-secondary education can also include the cost of accommodation, such as residence fees, as well as the cost of books and other materials, transportation, food and various necessities. Many students in Canada rely on help from the government and financial institutions to finance their education.

Government Assistance Programs

Government programs are the most utilized form of financial assistance most often utilized to help pay for university education. Government student loans provide money to eligible students based on demonstrated financial need. Funds are paid out through a combination of the CSL (Canada Student Loan) program and the provincial student loan program (e.g., OSAP—Ontario Student Assistance Program). Students apply in their province of residence.

Government student loans and other funds are granted only when other financial resources available to students are deemed insufficient to meet a student's education expenses. These resources include family contributions, part-time work, scholarships, bursaries, etc. If a student is under 19, a parent or a legal guardian/ sponsor needs to co-sign the loan document.

Government student loans offer a great advantage over personal bank loans as full-time students can qualify to have their accrued interest paid for by the federal and/ or provincial government while they are still studying.

Private Loans and Lines of Credit

Private student loans or lines of credit are offered by many banks and credit unions. The main difference between them and the government programs lies in how the interest is repaid. In private loans or lines of credit, the student is responsible for all the accrued interest as soon as the loan has been signed.

Many medium to large corporations and private organizations also offer scholarships, bursaries and awards for students.

For more information on government loans, grants and bursaries, see www.canlearn.ca.

Key vocabulary and collocations

loan
bursary
grant
scholarship
line of credit
eligible, eligibility
tuition
interest
prime
amount outstanding
payment schedule

Verbs and verb collocations

to repay/manage a loan
to charge interest
to qualify for a loan
to co-sign a loan

Proper names, abbreviations and acronyms

CSL, OSAP, RESP

Possible grammar structures

Passive voice in legal text to describe terms of payment (it will be paid, when it is assessed)

Related skills and strategies
skimming long texts
scanning web pages
completing a complex form

Objective(s) and CLB level

The objective of this series of activities is to explore the various costs of post-secondary education, student needs and some budgeting strategies. The activities provide opportunities to practise vocabulary use, listening and speaking. These activities are generally appropriate for learners at CLB 3 and lower CLB 4.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Identify costs, needs and wants in a student budget
- Understand consequences of financial decisions

Corresponding CLB competencies

🔗 CLB 3: Understand short, simple, descriptive communication about ... a situation or ... daily routine.

Procedures

This series of activities focuses mostly on vocabulary related to the topic of costs of education and student loans.

A. Learners can discuss the questions in small groups and present their answers to the class. Learners can also discuss the questions as a class.

B. You can elicit from learners expressions about money and discuss different ways to save money. Answers:

1. manage her money
2. make a budget
3. per her expenses
4. be careful with
5. stick to her budget

C. Answers:

1. residence fees
2. student grants
3. tuition fees
4. student loan

D. Have learners listen to the conversation and answer overall comprehension questions, e.g., Who is the conversation between? What are they talking about? Play the conversation as many times as needed. Learners can compare their notes in pairs; then, take up answers as a whole class. You could also use the dialogue as a reading text.

🗣️ Transcript

Annie: Hi, Kim. How is everything?

Kim: Oh, hi Annie. Pretty good, thanks. So, has your daughter decided which college she wants to go to next year?

A: Yes, she has. She's going to Trillium College in Ottawa. It's a good school, and we're happy for her, but going away to school is really expensive. She will need to be very careful with her money.

College Is Expensive

K: I know what you mean—our son went away to Thunder Bay for four years, and now our daughter, Cathy, is going to school there, too. She's really good at managing her money. Your daughter will need to learn how to make a budget and stick to it.

A: I need to learn, too. Can you give me some ideas about how to make a budget?

K: Sure, it's easy. She just has to know how much money she has coming in—from her savings, student loans, student grants, summer job or part-time job. Also, how much you and your husband can give her for the school year. She can also find out if she can get other help to pay for part of her expenses.

A: I think we know how much money she will have. What about expenses?

K: She'll have to write down everything she needs money for—such as rent or residence fees, food, tuition and books and student fees, of course. Cell phone, transportation—bus pass, maybe? Let's see... what else? Social activities, for sure—going to movies, clubs... oh, and don't forget laundry and personal products—kids can spend a lot on their hair!

A: Wow, that's a lot to know. Thanks for the information.

K: Say, why don't I get Cathy to talk to your daughter about all the costs and how to budget?

A: Thanks, Kim. That would be great.

E. Answers:

savings	rent or residence fees
student loans	tuition fees
student grants	books and student fees
part-time job	cell phone
money from parents	transportation (bus pass)
other	social activities
	personal products

F. Answers:

1. Going away to school can be really expensive.
2. Parents often help students to pay their expenses.
3. Many students may need to learn how to make a budget.
4. First, they calculate how much money they have.
5. Then, they write down all their expenses.
6. It is important to stick to a budget.

Beyond the classroom: Learners can research information about the costs of post-secondary education and compare the results. They can contact a local college/university or conduct online research.

A. Work in pairs. Take turns asking and answering the questions below. Compare your answers with your partner's.

1. Is studying at college or university expensive in the country you come from?
2. What do university students have to pay for? Make a list.
3. Which items on your list are the most expensive? Which are the least expensive?

B. Read the expressions about money. Then, read the sentences below. For each sentence, circle the correct answer.

to be careful with money — to not waste money

to manage money — to control spending and plan saving

to make a budget — to make a plan about how to spend money

to stick to a budget — to spend and save according to the budget

to pay expenses — to pay for things; to cover costs

1. Sonia studies at the university away from her parents and she needs to learn how to _____ .
 a. be careful with b. make a budget c. manage her money
2. First, she is going to _____ to see how much money she has and how much she will spend.
 a. stick to a budget b. manage money c. make a budget
3. She will list all her income to see if she has enough money to _____ .
 a. pay her expenses b. make a budget c. manage her money
4. Sonia has just enough for her expenses so she needs to _____ her money.
 a. pay expenses b. be careful with c. make a budget
5. She will not spend money on anything that is not planned. She promises to _____ .
 a. stick to her budget b. pay her expenses c. manage her money

C. The words/phrases below come from the dialogue you will listen to. Complete each sentence with the correct word or phrase. Use plural forms where needed.

student loan — money students borrow to pay for school (students must repay loans)

student grant — money students get to pay for school (students don't repay grants)

tuition fees — fees students pay for courses

residence fees — money students pay for accommodation at the university

1. Meena will study away from her parents' home. She needs money for _____
_____.
2. The Government of Canada helps students by giving them _____
_____.
3. Joanna's parents gave her \$2,000 for _____.
4. After finishing university, John found a job and started repaying his _____
_____.

D. Kim and Annie are talking about the costs of sending kids to college. Listen to the conversation, and then complete the story.

Annie's _____ is going to start college next _____. She is going to Trillium College in _____ in Ontario. Annie thinks that going away to school is really _____.

Kim's daughter's name is _____. She is studying in Thunder Bay and she is good at _____ her money.

Kim tells Annie that her daughter will need to learn how to make a _____ and _____ to it. She will need to know her income—how much money she has _____ in.

She'll also need to _____ down everything she needs _____ for, such as _____ or residence _____, food, tuition and _____. She'll also need money for social activities, such as _____ or going to clubs.

E. 🎧 Listen again and complete the chart with the types of income and expenses that Kim talks about.

INCOME PER SCHOOL YEAR:	EXPENSES PER SCHOOL YEAR:
savings _____	_____
_____	tuition fees
_____	books and student fees
money from parents	_____
other	_____
	personal products

F. Unscramble the sentences below. Use capital letters and punctuation where needed.

1. away to going school be can expensive really

2. often help parents students their pay to expenses

3. students need many learn to how a budget make to

4. they calculate much how money have they first

5. write then down they all expenses their

6. important is to it stick budget to a

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with some of the concepts and strategies related to student budgeting—including understanding the costs of education—and the importance of considering needs and wants. The activities provide practice in listening and speaking. These activities are generally appropriate for learners at CLB 4–5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Compare costs of various educational options
- Plan student spending; make financial decisions and predict consequences
- Create a budget for a specific situation

Corresponding CLB competencies

- 🔊 CLB 3,4: Understand short, simple, descriptive communication about ... a situation or ... daily routine (CLB 3); on topics of personal relevance (CLB 4).
- 🔊 CLB 5: Understand information on familiar or relevant topics.
- 🗣️ CLB 3–5: Ask for and give information about needs ... related to common everyday activities (CLB 3, 4); ask for and give information related to routine daily activities in one-on-one interactions (CLB 5).
- 📖 CLB 3–5: Get information from simple (CLB 3, 4) moderately complex (CLB 5) formatted texts.

Procedures

This series of activities is about making a budget and is appropriate for learners at CLB 3 and 4. Activities H–J are appropriate for CLB 5.

A. These questions can also be discussed in small groups or as a whole class. Ask learners to give examples from their personal experiences.

B. Answers:

1. personal budget 2. balance a budget 3. sticking to a budget 4. is on a budget 5. a monthly budget 6. annual budget

C. In this activity, learners listen to a conversation between a mother and daughter about making a budget before going away to study at university. Prepare learners to listen for items to write and corresponding amounts. Play one part at a time and take up the answers with the whole class. Learners can compare their answers first in pairs.

D. In this activity, learners listen to Part 3 of the conversation to complete the budget sheet. Play the dialogue first and ask learners to repeat the steps they heard; write them on the board. Then, have learners complete the table following those steps. They will need to copy the items and corresponding amounts from parts 1 and 2, calculate the totals, and see if Lisa has enough money (she does not). Ask learners to describe how they completed the table and balanced the budget. You may need to review/teach names of mathematical operations and demonstrate how to read them (see the example in a box on p. 29). You may want to provide more examples for reading those operations and reading numbers in general.

E. Learners refer to their completed notes and the budget table to answer the questions. They can also work in pairs to ask each other more questions about the budget items, e.g., *What is Lisa's biggest expense? How much is it?* Etc. Because Lisa doesn't have enough money, learners can also discuss how she can reduce her spending or increase her income.

A Student Budget

🔊 Transcript

1: Income

Lisa: So, mom, it seems like everything is so expensive at the university. I need to know if I have enough money for the first year.

Mom: I think you need to make a budget. It's simple and it will help you manage your money.

Lisa: What do you mean?

Mom: Well, a budget is a sheet where you write down your income and expenses, then calculate both to see if you have enough money or not.

Lisa: Okay, I like this idea. Let's start with my income.

Mom: Right. Why don't you make a list of all the money coming in. First, think about where you will get your money.

Lisa: Aha, I know. So, first, it will be my savings. You know, I worked during the summer and I saved all that money for school. It's \$2,350.

Mom: That was very smart. That's good; now, what else can you list?

Lisa: I got my student loan and grant from the government. Together they add up to \$9,250. And, of course, the money that you and Dad gave me—that's \$3,500. That's quite a lot.

(Lisa writes down her items and amounts)

Mom: Is that all?

Lisa: Oh, my part-time job! I'm going to work for eight months, so that's going to bring in some money, too.

Mom: Great, how much?

Lisa: Well, let me see....It comes to \$75 per week.

Mom: You need to find out how much you will make in total, so you need the number of weeks, too.

Lisa: Okay, let's count here, on my calendar... It's 30 weeks.

2: Expenses

Mom: Good. So, see, this list is your income. Now, make another list, for your expenses.

Lisa: Right. That's going to be harder because I have to know what I will need money for. I don't know that yet...

Mom: Well, of course, you don't know exactly what you will buy and pay for, but you can make a general list and estimate the amounts that you think you'll spend. Maybe it's easier to do it for one month?

Lisa: Okay, let me try ... So, first, I'll need money for my tuition fees—I think it's going to be \$1,120 each month. Then, residence and meals—let me check—yeah, that's \$975 each month. Let me write it down.

Mom: Good. Now think about what else you will need money for.

Lisa: Well, I'll need books and supplies—let's say around \$150. Oh, and a bus pass and cell phone—I will need them for sure. A student bus pass is \$54 and my cell phone plan is \$40 each month.

Mom: Okay, what else can you list as an expense?

Lisa: How about all these things like shampoo, cosmetics, snacks—you know, those little things ...

Mom: Well, write them down as personal products—and think how much you may need for them.

Lisa: Maybe about \$75? Maybe less?

Mom: You can write down \$75 and then change it later.

Lisa: Fine. Oh, and I will need some money for movies, clubs, going out in general...

Mom: Don't list too much for these things—as a student, you can have a lot of fun for free.

Lisa: Okay, I'm writing \$50.

Mom: Very good.

A Student Budget

3: Balance

Mom: So, see, you have these two lists: income and expenses. Now, you need to calculate everything and see if you have enough money. Why don't you do it on your computer; or, we can do it together now on a sheet like this.

Lisa: Oh, that's perfect.

Mom: First, just copy the items in each column.

Lisa: Right...income—done. Now expenses—done.

Mom: Now, write down the amounts.

Lisa: Right.... ready. Oh, for my expenses I'll need to multiply my monthly amounts by 8.

Mom: Eight? Why eight?

Lisa: There are eight months in an academic year.

Mom: Right, I forgot.

Lisa: Now, I'll just add all the amounts in each column to see the totals.

Mom: And? Do you have enough money?

Answers:

LISA'S BUDGET

INCOME	\$ AMOUNT PER YEAR	EXPENSES	\$ AMOUNT PER MONTH	\$ AMOUNT PER YEAR
savings from summer job	2,350	tuition	1,120	8,960
student loan and grant	9,250	residence and meals	975	7,800
money from parents	3,500	books and supplies	150	1,200
part time job	2,250	bus pass	54	432
		cell phone	40	320
		personal products	75	600
		entertainment	50	400
TOTAL INCOME	17,350	TOTAL EXPENSES		19,712

G. The purpose of this activity is to provide practice in asking questions and saying numbers. Review/elicite both before learners start working in pairs. Have learners describe how they calculated the totals.

H–J. This series of activities is about making a student budget. It is intended for learners at CLB 5. Before learners start working in groups, discuss the information text and elicit examples.

J. If your class has access to a computer lab, learners could use MS Excel to create a spreadsheet and perform all of the calculations on a computer using built-in functions.

Have each group of learners present their modified budgets and explain their decisions to reduce spending.

Beyond the classroom:

1. Ask learners to locate budgeting tools (online, iPhone apps, own, etc.), try them out, and share them with the class. Learners can also try to use a budgeting tool and report how it worked for them (e.g., Did it help them to save money? Did they feel they had more control over their spending/planning?)

2. Learners can research various colleges and universities and check their websites for budgeting tools, information on financial assistance, etc. Learners can also research tuition fees for various educational institutions and compare them.

A. In pairs, answer the questions below.

1. In what situations do you make a budget? Give examples.
2. What items can a budget include?
3. What calculations do you need when you make a budget?
4. Do you think it is a good idea to make a budget? Why?

B. The following are common expressions that include the word “budget.” Use the correct form of each expression to complete the sentences below.

to make a budget	to be on a budget	a family/personal budget
to balance a budget	to stick to a budget	an annual/monthly budget

1. You can make _____ for yourself. You will see how much money you have coming in and going out.
2. When you compare income to expenses to see which is more, you _____
_____.
3. Making a budget is the easy part. _____ is the hard part .
4. Gina has little money to spend. She watches how much she spends very carefully. She _____
_____.
5. Pavlo started his first job. He wants to save money. He makes _____
_____ to see his income and expenses each month.
6. Companies and corporations usually have an _____
_____.

C. 🎧 Lisa is a student. She needs to manage her money for school very carefully. Listen to Lisa and her mother talking about making a budget. Complete Lisa's notes below.

Part 1:

My income for the academic year:

savings from _____ : \$2,350.00

student _____ and _____ : \$9,250.00

money from _____ : \$ _____

part-time job: \$ _____ a week for _____ weeks

(\$ _____ for the academic year)

Part 2:

My expenses for each month:

_____ fees: \$ _____

residence and _____ : \$ _____

_____ and supplies: \$ _____

bus pass: \$ _____

_____ : \$ _____

personal products: \$ _____

_____ : \$ _____

D. Listen to Part 3 of the conversation on how to complete a budget sheet. Use the information you heard in Part 3 and Lisa's notes to complete her budget sheet below. What calculations will you need to make?

LISA'S BUDGET

INCOME	\$ AMOUNT PER YEAR	EXPENSES	\$ AMOUNT PER MONTH	\$ AMOUNT PER YEAR
TOTAL INCOME		TOTAL EXPENSES		

HOW TO CALCULATE?

ADD: $100 + 50 = 150$ (*one hundred plus fifty is/equals one hundred and fifty*)

SUBTRACT: $100 - 50 = 50$ (*one hundred minus fifty is/equals fifty*)

MULTIPLY: $100 \times 50 = 5,000$ (*one hundred times fifty is/equals five thousand*)

E. Answer the questions about Lisa's budget.

- How much money has Lisa saved from her summer job?
- How does Lisa calculate the total amount from her part-time job?
- Where does most of Lisa's income come from?
- What is Lisa's largest expense in one academic year?
- How much money will Lisa pay for residence and meals in one academic year?
- How much money does Lisa pay for one month at school?
- What is the total of Lisa's expenses for one academic year?
- Will Lisa have enough money to pay for all her expenses?

F. BUDGET INFORMATION GAP

STUDENT A

Read the budget sheet below. Ask your partner questions about the amounts missing from your table. Write the amounts your partner tells you. Calculate the total income and the total expenses. Compare the amounts. Which one is larger?

Example: *A: What is the amount of the student loan?*

B: It's \$4,300 (four thousand three hundred dollars).

Income per year	\$ amount	Expenses per month	\$ amount
summer job	\$2,100	tuition fees	\$4,228
student loan		books and supplies	\$920
part-time job		gas and parking	
parents	\$2,600	rent	\$3,600
student grant	\$375	cell phone/internet	
scholarship		personal care	
savings	\$4,100	entertainment	
Total income		Total expenses	

F. BUDGET INFORMATION GAP

STUDENT B

Read the budget sheet below. Ask your partner questions about the amounts missing from your table. Write the amounts your partner tells you. Calculate the total income and total expenses. Compare the amounts. Which one is larger?

Example: *B: What is the amount for rent?*

A: It's \$450 (four hundred and fifty dollars).

Income per academic year	\$ amount	Expenses per academic year	\$ amount
summer job		tuition fees	
student loan	\$1,300	books and supplies	
part-time job	\$1,600	gas and parking	\$720
parents		rent	
student grant		cell phone/internet	\$240
scholarship	\$5,600	personal care	\$320
savings		entertainment	\$280
Total income		Total expenses	

G. Work in small groups. Brainstorm possible expenses you could list in the table below. Decide which of them would belong to EDUCATION COSTS and which would be LIVING COSTS. Use a separate sheet of paper if you need more space.

BALANCING A STUDENT BUDGET

Studying at a university or college can be expensive. Depending on the program or school, tuition can vary from \$2,500 to \$8,000 or more per year. The cost of post-secondary education can also include other costs such as accommodation or transportation. Some costs are fixed, which means they are paid regularly, e.g., rent or phone bill. Other costs are variable—they are things you would not buy on a regular basis, such as clothing or books. There are also incidental costs that are occasional, like gifts or travel. Costs can also be listed by priority, i.e., how important they are. For example, rent is high-priority (very important); cable is low-priority (not important).

EDUCATION COSTS

Tuition

LIVING COSTS

Accommodation

H. In small groups, discuss and answer the questions.

1. Which of the items that you listed are fixed costs?
2. Which of these items are, in your opinion, high-priority? Which ones are low-priority?
3. Which of the expenses you listed do you think could be reduced? How?

I. Write sentences to give specific suggestions for saving money. Present your sentences to the class.

Example: *You can save money on food by cooking at home and not eating out.*

You could buy your furniture at garage sales; don't buy new furniture or kitchen equipment.

It's better to buy used books, including text books, instead of new ones.

J. A budget chart is a tool that can be used as a guideline for spending money. Below is a budget chart for a full-time student for one term (four months). Work with a partner and do the following:

- Read the chart and calculate totals for income and costs; then, calculate the difference.
- Discuss and decide which items under COSTS are high-priority items (H), low-priority items (L), fixed costs (F) and variable costs (V). Mark them with appropriate initials. Some items can have more than one initial.
- Discuss and decide how the student can balance the budget. Which costs can be eliminated? Which ones can be reduced? How?
- Present your solution to the class.

INCOME	AMOUNT
Student loans	\$ 5,200
Parents	\$ 1,500
Part-time job	\$ 2,400
Bursary	\$ 500
TOTAL	

How to calculate?

+ add (addition)

- subtract (subtraction)

= total

COSTS	AMOUNT
Tuition and fees	\$ 2,600
Books and supplies	\$ 2,000
Rent	\$ 2,000
Utilities	\$ 320
Internet/cable	\$ 200
Telephone/long distance	\$ 200
Public transport	\$ 200
Food	\$ 1,200
Entertainment (movies, shows)	\$ 250
Magazines, books, movie rentals	\$ 180
Health care (medications, dental, etc.)	\$ 240
Personal care (haircuts, cosmetics, etc.)	\$ 160
Laundromat/dry cleaning	\$ 100
Eating out, alcohol	\$ 180
Miscellaneous (gifts, pets, etc.)	\$ 100
TOTAL	

Student Loans

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with some of the concepts, terminology and strategies related to student loans. The activities provide practice in vocabulary use, listening, reading formatted text and completing complex forms. These activities are generally appropriate for learners at CLB 4 and 5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Understand how government student loans work
- Complete a form related to a student loan repayment
- Research information about different financial assistance programs for students; locate specific information

Corresponding CLB competencies

- 👂 CLB 5: Understand information on familiar or relevant topics.
- 📖 CLB 4–5: Get information from simple (CLB 4) or moderately complex (CLB 5) formatted texts.
- ✍️ CLB 4–5: Complete simple forms that require basic personal information and some responses to simple questions (CLB 4); complete forms requiring detailed personal information (CLB 5).
- ✍️ CLB 4–5: Write a short paragraph to describe a familiar situation ... (CLB 4); write a paragraph to relate a familiar sequence of events, description of a... routine.

Procedures

This series of activities is about government student loans and is intended for learners at CLB level 4 and 5. Activities 1–5 are based on the listening text.

A. Answers:

1. d 2. e 3. c 4. a 5. g 6. b 7. h 8. f

B. Answers:

1. T 2. F 3. T 4. T 5. F 6. T 7. F

C. Ask learners to complete these sentences without listening first. Then, have them listen to the dialogue to check their answers.

Answers:

1. enough, cover
2. eligible
3. interest
4. co-sign
5. charged
6. scholarships

D. Before learners listen again, discuss note-taking: what to write down, how to write it down. Learners can use the space provided (using some clues) or they can take notes on a blank sheet of paper.

E. Students summarize the information they have learned from the listening text. They can exchange their email messages with a partner for editing.

Student Loans

Transcript

Interviewer: Today we are talking about financing post-secondary education and I have a lot of questions from our students for you.

Counsellor: I'll be happy to answer them. What would you like to know?

I: Well, we all know that if someone wants to go to college or university, they have to pay for it. The fees and expenses can be big. Not everybody has savings, and sometimes students don't have enough money to pay for everything. Is there any financial assistance that they can get?

C: Oh, definitely. Students can get loans from the government and financial institutions, such as banks and credit unions.

I: Oh, can you tell us about government student loans?

C: Sure. There are Canada Student Loans, from the federal government, and student loans from provinces and territories. For example, in Ontario there is OSAP—the Ontario Student Assistance Program.

I: Who can apply for these loans?

C: Generally, these loans are for students who have demonstrated that they don't have enough money to cover all costs of their education. For example, they have received money from their parents, they work part-time, but this is still not enough. In this case, students can apply through the province in which they live. Only students who are eligible will receive the loan. They need to apply each year that they are at school.

I: Can a student who is under 19 apply, too?

C: Oh, yes, but they will need their parents to co-sign the loan document – this means that the parents take on some responsibility for it as well.

I: Are Canada Student Loans the same as bank loans?

C: Oh, no, they are quite different. The difference is in how and when a student pays the money back.

I: Can you give us more details?

C: Sure. Students don't pay interest on these loans while they are in school. This is for all full-time students. When they finish school, they must start to pay the money back after six months.

I: And what about part-time students?

C: They don't have to pay it back until they finish school, but interest is charged while they are still at school.

I: Are there any other forms of financial help offered by the government?

C: Yes, there are also grants, scholarships and bursaries. Those don't have to be paid back. Some are based on family income, some are based on grades at school and some on other things.

I: How can students apply for them?.

Student Loans

C: Usually, when students apply for Canada Student Loans, they are automatically considered for Canada Student Grants. For scholarships or bursaries, students have to apply separately and only those eligible will receive them.

I: Can you give us some examples of Canada Student Grants?

C: Sure, for example, there is a grant for students with children under the age of 12, a grant for students from low-income families, and a grant for part-time students. All together, there are seven of them, with different amounts of money.

I: This has been very interesting. You gave us a lot of useful and important information.

C: Oh, I'm glad I could help. There is more information on the www.canlearn.ca website or on the OSAP Portal. You can also get more details at the college or university you apply to.

I: Great. Thank you and hope to talk to you soon.

C: Bye.

F–J. This series of activities is intended for learners at CLB 4 and 5. The purpose is to develop skills related to understanding and completing a banking form.

F. Ask learners if they have ever completed a form like this one. Have learners skim the form and discuss the main parts.

G. Ask learners to scan the form and find the words; learners can guess the meanings from the context first and then do the exercise.

Answers:

1. c 2. a 3. e 4. f 5. h 6. d 7. b 8. g

H. Explain what legalese is and ask learners for examples. Elicit from learners what each of these phrases may mean. Learners can work in groups.

I. Answers:

1. T 2. T 3. F 4. F 5. F 6. F

J. In this activity, learners complete the form based on the information included in the text and the cheque. Learners can exchange the completed form with a partner for peer editing.

Beyond the classroom: Learners can research information on the different forms of financial assistance programs available to students (canlearn.ca).

A. You are going to hear the words below in an interview about financial help for students entering college or university. Match the words with their definitions.

- | | |
|---------------------|--|
| 1. ____ eligible | a. the cost of borrowing money |
| 2. ____ grant | b. money borrowed that needs to be returned |
| 3. ____ scholarship | c. money given to students by government or university based on their academic achievement |
| 4. ____ interest | d. entitled to; meeting required conditions |
| 5. ____ charge | e. money given that doesn't need to be paid back |
| 6. ____ loan | f. sign with another person |
| 7. ____ cover costs | g. ask as a cost |
| 8. ____ co-sign | h. pay for everything |

B. Listen to the interview with a counsellor, and write T (True) or F (False) next to each statement below.

1. Students can get financial help from the government as well as from banks and credit unions. _____
2. All students can apply for and receive Canada Student Loans. _____
3. Students have to demonstrate that they don't have enough money. _____
4. For students under 19, their parents must co-sign the loan document. _____
5. Canada Student Loans are the same as bank loans. _____
6. Full-time students don't have to pay interest on their loans while they are at school. _____
7. There are six different kinds of Canada Student Grants. _____

C. Complete the sentences with the missing words. Listen again, and check your answers.

1. Government loans are for students who have shown that they don't have _____ money to _____ all costs of their education.
2. Only students who are _____ will receive the loan.
3. Students don't pay _____ on these loans while they are in school.
4. Students under 19 will need their parents to _____ the loan document.
5. For part-time students, the interest is _____ while they are still at school.
6. There are also grants, _____ and bursaries.

D. 🎧 Listen again to the interview and take notes of details. Compare your notes with a partner.

My notes:

- *Canada Student Loans, OSAP*
 - *Who can apply:*
 - *Where:*
 - *When:*
 - *Students under 19:*
 - *Paying interest:*
- *Grants, scholarships: gov.*
 - *How to apply:*
 - *# of grants:*
- *Bank loans*
 - *The same/ different?*
 - *Paying interest:*

E. Write an email to your friend about student loans in Canada. Use your notes to provide details.

To:
CC:
SUBJECT:
Your message:

F. Read the agreement completed and signed by Diego Rodriguez, a recent college graduate.

Student loans are commonly repaid through pre-authorized debit. This means that a loan administrator automatically withdraws an agreed amount of money from the student's bank account regularly. To use this form of payment, a student has to sign a pre-authorized debit agreement.

Personal Pre-Authorized Debit Agreement*Please print clearly*

Part 1. Personal Information		
	Borrower Information	Third-party Information*
First name	<i>Diego</i>	<i>Lucilla</i>
Last name	<i>Rodriguez</i>	<i>Gomez</i>
SIN	<i>555-555-555</i>	<i>n/a</i>
Street address	<i>123 Nice Street</i>	<i>123 Nice Street</i>
City/Province	<i>Oakville, Ontario</i>	<i>Oakville, Ontario</i>
Postal code	<i>L6M 3Y6</i>	<i>L6M 3Y6</i>
Telephone number	<i>905-123-4567</i>	<i>222-333-4567</i>
<i>This subsection should only be completed if a Third Party agrees to repay part or all of the Borrower's debt. The Third Party information will not be shared; it is collected only for the purposes of this document.</i>		
Part 2. Bank Account Information		
Financial institution name and number: xxxxxx		
Account number and Branch transit number: xxxxxxxx		
Name of account holder(s): <i>Diego Rodriguez</i>		
Part 3. Pre-authorized debit agreement authorization details		
The Payor(s) hereby authorize the Loan Administrator to monthly debit the above-identified bank account starting on May 31, 20-- (insert date here) in the amount noted below to repay the noted student loan(s) of Diego Rodriguez (insert name here). Subsequent payments will be withdrawn until the loan(s) has/have been repaid in full.		
Loan type	Number	Monthly payment
Canada–Newfoundland and Labrador Integrated Loan	XXX-XX	\$ 300.00
-----	-----	-----
<i>Please attach or fax a copy of a void cheque of the above-identified bank account.</i>		
<i>The Payor(s) may revoke his/her authorization subject to providing notice to the Loan Administrator within 7 business days prior to the next scheduled pre-authorized debit payment. To learn about the right to cancel this agreement or to obtain a cancellation form, please contact our office.</i>		
<i>The Payor(s) has/have the right to dispute or receive reimbursement for any debit that is not authorized or is not consistent with this agreement. To obtain more information on the recourse rights, please contact the Payor(s) financial institution.</i>		
<i>When this agreement is complete, please sign and obtain proper signatures, then date and fax it to 999-123-4567.</i>		
Signature of account holder		Signature of joint account holder (if applicable)
<i>Diego Rodriguez</i>		
Name: <i>Diego Rodriguez</i>		Name:
Date: <i>May 15, 20--</i>		Date:
Third party's signature (if applicable): <i>Lucille Gomez</i>		Date: <i>May 15, 20--</i>

Source: CanLearn. Retrieved from: <http://www.canlearn.ca/eng/documents/pdf/pap.pdf>.

G. Match words/phrases from the form with their meanings.

- | | |
|------------------------------|------------------------------------|
| 1. _____ authorize | a. another person involved |
| 2. _____ third party | b. repayment |
| 3. _____ borrower | c. give permission |
| 4. _____ subsequent payments | d. annulled blank cheque |
| 5. _____ repaid in full | e. someone who takes a loan |
| 6. _____ void cheque | f. next or later payments |
| 7. _____ reimbursement | g. a person who makes payments |
| 8. _____ payor | h. returned the whole sum of money |

H. Find these phrases in the form. Explain what they mean. Use a dictionary if necessary.

Phrase	Meaning
1. the above-identified bank account	_____
2. revoke ... authorization	_____
3. subject to	_____
4. not consistent with this agreement	_____
5. prior to the next scheduled payment	_____
6. sign and obtain proper signatures	_____

I. Read the agreement and write T (True) and F (False) next to the statements. Find the text in the form to support your answer.

- | | |
|--|-------|
| 1. Lucilla Gomez, Diego's mother, agrees to help repay his student loan. | _____ |
| 2. Diego's loan is a federal government loan. | _____ |
| 3. Diego has a joint bank account with his mother. | _____ |
| 4. Diego will make his first loan payment in July. | _____ |
| 5. Diego's pre-authorized debit agreement cannot be cancelled. | _____ |
| 6. This agreement can be emailed to the Loan Administrator. | _____ |

J. Read the following situation and the cheque below. Use the information to complete the pre-authorized debit agreement form on the next page.

Alyssa has just graduated from the University of Western Ontario in London. Now she needs to start repaying her Canada Student Loan. The loan number is 999-12. She has decided she will start making payments on June 15, 20--. She can pay \$300 a month. She has no guarantor or co-signer on her loan document.



She will repay her loan through pre-authorized debit. She needs to complete the form to sign the agreement. She will also need to attach a void cheque from her chequing account.

Alyssa Chan 123 Glad Street Oaktown, ON L6M 3Y8	# 112 Date: _____
PAY TO THE _____ \$ ORDER _____ OF _____ / 100 DOLLARS	SECURITY FEATURES INCLUDED
<input checked="" type="checkbox"/> ABC BANK Glad and Main Branch 987 Main Road Oaktown, ON L7L 1M2	
MEMO _____	
1120 00712 003050400 12304	

Personal Pre-Authorized Debit Agreement

Please print clearly

Part 1. Personal Information		
	Borrower Information	Third-party Information*
First name		
Last name		
SIN		n/a
Street		
City/Province		
Postal code		
Telephone number		
<i>This subsection should only be completed if a Third Party agrees to repay part or all of the Borrower's debt. The Third-party information will not be shared; it is collected only for the purposes of this document.</i>		
Part 2. Bank Account Information		
Financial institution name and number:		
Account number and Branch transit number:		
Name of account holder(s):		
Part 3. Pre-authorized debit agreement authorization details		
<i>The Payor(s) hereby authorize the Loan Administrator to monthly debit the above-identified bank account starting on (insert date here) in the amount noted below to repay the noted student loan(s) of (insert name here). Subsequent payments will be withdrawn until the loan(s) has/have been repaid in full.</i>		
Loan type	Number	Monthly payment
<i>Please attach or fax a copy of a void cheque of the above-identified bank account.</i>		
<i>The Payor(s) may revoke their authorization subject to providing notice to the Loan Administrator within 7 business days prior to the next scheduled pre-authorized debit payment. To learn about the right to cancel this agreement or to obtain a cancellation form, please contact our office.</i>		
<i>The Payor(s) has/have the right to dispute or receive reimbursement for any debit that is not authorized or is not consistent with this agreement. To obtain more information on the recourse rights, please contact the Payor(s) financial institution.</i>		
<i>When this agreement is complete, please sign and obtain proper signatures, date and fax it to 999-123-4567.</i>		
Signature of account holder	Signature of joint account holder (if applicable)	
Name:	Name:	
Date:	Date:	
Third party's signature (if applicable):	Date:	

Source: CanLearn, retrieved from <http://www.canlearn.ca/eng/documents/pdf/pap.pdf>

RESPs



Activities in this topic explore types and features of Registered Education Savings Plans (RESPs), the Canada Education Savings Grant (CESG) and the Canada Learning Bond (CLB) as well as different saving options and strategies.

The *RESPs* section includes two sets of activities:

Saving for the Children's Education

RESPs

You can select activities to teach based on the needs and interest of the learners in your class. The activities can be used individually and need not be used in the sequence in which they are presented. You may also add your own activities where appropriate. Suggestions and ideas for extending or complementing the specific activities are included in the teaching notes.

You can complement the activities in this section with online activities at *English for Financial Literacy > Online Activities*.

The activities in this section relate to the following theme in *LINC 1–5 Curriculum Guidelines*:

- **Education**

Learning Outcomes

The sample learning outcomes below can help you plan a lesson or series of lessons about RESPs. The outcomes are intended to guide you in defining areas of content and contexts for the language instruction. The financial literacy outcomes can help you determine the aspects of financial literacy to include in your instruction in order to facilitate learners' understanding, knowledge and competence. The language outcomes can guide you in selecting and designing language activities at CLB 3–5 that support financial literacy.

The activities included in this section are intended to support the outcomes below.

Sample Financial Literacy Outcomes	Sample Language And Numeracy Outcomes
<p>Understanding and knowledge</p> <ul style="list-style-type: none">• Understand vocabulary and concepts related to RESPs• Understand how RESPs, the CESG and the Canada Learning Bond work• Recognize how compound interest and long-term savings work• Understand the effects of different savings strategies <p>Application</p> <ul style="list-style-type: none">• Identify a savings goal and develop strategies for own situation• Identify specific savings strategies for post-secondary education purposes• Identify specific RESP plan appropriate for own needs• Access information about RESPs	<ul style="list-style-type: none">• Demonstrate comprehension of the gist, factual details and some implied meanings in a brochure about RESPs and related government programs• Describe how the CESG and Canada Learning Bond work• Write a summary of information about RESP plans• Participate in a small group/class discussion in order to select the RESP plan to match specific needs• Locate an online RESP calculator• Use an online RESP calculator to find the amount saved and the amounts of government grants and bonds

When planning a lesson or series of lessons, you can use the listed outcomes as they are or develop your own based on the needs and interests of the learners in your class. For ideas and strategies for conducting a needs assessment, see the *Instructor Guide*.

Background Information and Key Language Elements

You can use the background information to familiarize yourself with information on RESPs and the related concepts that are presented in the learner activities in this section. For sources of more information on this topic or related classroom resources, please see the *Useful Websites* section.

The sidebar below lists major language elements that you may want to introduce or review to support the thematic content of the activities.

An RESP is an education savings account registered with the Government of Canada. It helps parents, family or friends put money aside for a child's post-secondary education. Parents can open an RESP at a financial institution, such as a bank or credit union, or through a certified financial planner or group plan dealer. These institutions, planners and dealers are known as "RESP providers."

In addition to parents' RESP contributions, families could receive the Canada Learning Bond and/or the Canada Education Savings Grant.

Canada Learning Bond

The Canada Learning Bond is \$500 offered by the Government of Canada to help families start saving right away for a child's education after high school. Plus, a child could get \$100 every year until he or she turns 15, up to a maximum of \$2,000. Any child born after December 31, 2003 is eligible for the Canada Learning bond if his or her parents receive the National Child Benefit Supplement under the Canada Child Tax Benefit. In other words, eligibility for the Canada Learning Bond depends on family income.

Canada Education Savings Grants

The Canada Education Savings Grant is money that the Government of Canada will add to RESP savings. The grant has two parts:

- the Basic Canada Education Savings Grant, which gives 20 percent on the dollar for the first \$2,500 saved in a child's RESP each year, no matter how much money the family makes
- the Additional Canada Education Savings Grant, through which—depending on net family income—families could receive an extra 10 or 20 percent on every dollar of the first \$500 saved in an RESP each year

To open an RESP and start receiving the Canada Education Savings Grant, parents need to:

- get a social insurance number (SIN) for the child
- contact an RESP provider of their choice to open an RESP, and
- open the RESP and complete the Basic and Additional Canada Education Savings Grant and the Canada Learning Bond application forms with the help of their RESP provider

For more information about RESPs, visit: http://www.hrsdc.gc.ca/eng/learning/education_savings/public/resp.shtml.

Key vocabulary and collocations

beneficiary
subscriber
RESP provider
bond (n)
annual contribution
group plan
mutual funds
grant

Verbs and verb collocations

to pay taxes
to earn interest
to charge fees
to terminate a plan
to contribute
to make contributions
to make a payment
to miss a payment
up to
low-risk, high-risk
investment
investment return

Proper names, abbreviations and acronyms

RESP, CLB, CESG, Canada Revenue Agency, National Child Benefit Supplement, Canada Child Tax Benefit

Possible grammar structures

Passive voice in legal text to describe terms of investment

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with some of the concepts, terminology and strategies related to RESPs as well as the Canada Education Savings Grant and Canada Learning Bond. The activities provide practice in vocabulary use, reading and speaking as well as calculating possible amounts. These activities are generally appropriate for learners at CLB 3 and lower CLB 4.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Understand vocabulary and concepts related to RESP, CESG and the Canada Learning Bond
- Understand how compound interest and long-term savings work

Corresponding CLB competencies

 CLB 3, 4: Get information from short and simple business or service texts.

 CLB 3, 4: Get information from simple formatted texts.

Procedures

This series of activities introduces the topic of RESPs. The exercises are mostly appropriate for learners at CLB 3 and 4.

A. You can precede this vocabulary activity with a short class discussion of the costs of post-secondary education and ways of financing them.

Answers:

1. c 2. a 3. f 4. j 5. h 6. d 7. b 8. e 9. g 10. i

B. Have learners read the story and answer the questions. Ask if there is anyone in a similar situation. Also, learners can discuss what advice they could give Tomas and Rita.

C. This brochure can be divided into three parts and each part can be assigned to a different group of learners. They could then retell the information in their part.

D. Answers:

1. d 2. k 3. f 4. a 5. b 6. e 7. c 8. g 9. h 10. i 11. j

F. You may need to introduce/review names of mathematical operations for this activity (add, multiply, percent). Read and discuss the example with learners. You could provide more examples of equations like these so learners can practice the language used to express them. Then, have learners work in groups and make the calculations for each family.

Answers:

Family 1: Basic CESG: $\$750 \times 20\% = \150 ; additional CESG: $\$500 \times 10\% = \50 ; total CESG: $\$200$

Family 2: Basic CESG: $\$200 \times 20\% = \40 ; additional CESG: $\$200 \times 20\% = \40 ; total CESG: $\$80$

Family 3: Basic CESG: $\$1,500 \times 20\% = \300 ; no additional CESG because of income

G–J. This series of activities provides practice using an online RESP calculator. The exercises are appropriate for CLB 3–5 learners. The text in the exercise reproduces the text from an online calculator. If your class has access to the computer lab, you could use an online version instead or as well. You can access several different calculators by searching *RESP calculator*. Most calculators include very similar items to those on the worksheet.

Saving for the Children's Education

G. Answers:

1. b 2. c 3. a 4. e 5. f 6. d

H. Learners practise entering information in appropriate spaces. This could also be done using an online calculator.

I. Answers:

1. F 2. F 3. F 4. T 5. F

J. Have learners use online calculators of their choice. You can explain the screen elements and demonstrate the functions using the LCD projector. Have learners work in groups and answer the questions.

Beyond the classroom:

1. Learners can search the Internet for online RESP calculators and practise using them.
2. Learners can get information about RESPs from their banks or other financial institutions (in print, online or in face-to-face meetings); they can also locate newspaper or magazine articles on the topic of RESPs and share them with the class.

A. Match the words with their meanings. Then, read the story.

- | | |
|----------------------------|--|
| 1. _____ post-secondary | a. institution of post-secondary education |
| 2. _____ university | b. become aware; understand |
| 3. _____ especially | c. after high (secondary) school |
| 4. _____ tuition | d. place where students live when they attend university |
| 5. _____ financial advisor | e. print material with information |
| 6. _____ residence | f. particularly; even more so |
| 7. _____ realize | g. amount you pay for something |
| 8. _____ brochure | h. specialist who gives advice about money/finances |
| 9. _____ cost | i. various choices |
| 10. _____ options | j. fee for school |

Tomas and Rita have two young children. Their daughter, Mila, is six years old and she is in grade one. Their son, Janko, is two. Tomas and Rita are already thinking about their children's future. They want them to get a good education. They hope that maybe Mila and Janko will decide to go to college or university after high school. They know that studying at college or university can be expensive, especially away from home. The biggest cost is tuition. Other costs include residence, food, transportation and books. Tomas and Rita realize that they need to start saving money. They decide that they need to get some information about saving money for post-secondary education. They go to their bank to meet with a financial advisor and discuss their options. They also get some brochures to read at home. Tomas and Rita are glad that they started thinking about it early—they have at least 10 more years to save some money for Mila and Janko's post-secondary education.

B. Answer the questions about the story.

1. How old are Tomas and Rita's children?
2. What do Tomas and Rita hope the children will do after high school?
3. What is tuition?
4. What are other costs of studying at college or university?
5. What do Tomas and Rita decide?
6. What do they do at the bank?
7. What is a good title for this story?

C. Read the brochure Tomas and Rita got at the bank.

RESP—Registered Education Savings Plan	The Canada Education Savings Grant	The Canada Learning Bond
<p>The special savings account for your child's post-secondary education is called an RESP, or a Registered Education Savings Plan. Any money that you put into the RESP will grow tax-free. This means you don't have to pay any tax on it. Your children will have this money to pay for university, college or even apprenticeship. The Government of Canada will help you save money in the RESP by giving you additional money. This help is called the Canada Education Savings Grant and the Canada Learning Bond.</p>	<p>The government gives the Canada Education Savings Grant to anyone who has an RESP and saves money in it. If you put money in your child's RESP every year, the government will add money to it every year, too. Not everybody will get the same amount of money. If your family income is high, you will get 20 percent of the amount you contribute. If your family income is medium or low, the government can give additional 10 or even 20 percent of the first \$500 of your contribution.</p>	<p>If your family income is low, you can get help from the government to save for your child's education. This help is called the Canada Learning Bond. You need to open an RESP for your child first, but you don't need to put money in it. Your child will get \$500 from the government in the first year. After, your child could get \$100 each year until he/she is 15.</p>

D. Match the words from the brochure with the meanings.

- | | |
|---|--|
| 1. _____ RESP | a. get larger |
| 2. _____ savings | b. you don't pay tax to the government |
| 3. _____ savings account | c. money the government gives to every family who puts money into an RESP |
| 4. _____ grow | d. Registered Education Savings Plan |
| 5. _____ tax-free | e. the total amount of money the family earns |
| 6. _____ family income | f. a bank account that pays you interest on the money you save |
| 7. _____ Canada Education Savings Grant | g. extra |
| 8. _____ additional | h. money that the government adds to the RESP for families with low income |
| 9. _____ Canada Learning Bond | i. sum; how much |
| 10. _____ amount | j. give; put in |
| 11. _____ contribute | k. money you don't spend |

E. Answer the questions about the information in the brochure.

1. What does RESP stand for? What is it for?
2. Why is an RESP special?
3. What are two forms of help that the government gives to people with RESPs?
4. Who can get the Canada Education Savings Grant? How much can they get?
5. What is the name of the government program for families with low income?
6. How much money can a child get in Canada Learning Bonds?

F. Read the table with information about the Canada Education Savings Grant. Then, read the scenarios and calculate how much money each family may get from the government. Explain how you calculated your answers.

FAMILY INCOME (per year)*	CANADA EDUCATION SAVINGS GRANT (CESG)
More than \$83,088	20% of contribution
Between \$41,544 and \$83,088	20% of contribution + 10% of first \$500 of contribution
Less than \$41,544	20% of contribution + 20% of first \$500 of contribution

*These income amounts are for 2011.

EXAMPLE:

Maria and Pedro's family income is \$83,000. They contribute \$2,000 to their son's RESP each year. How much money will they get in the Canada Education Savings Grant each year?

Basic CESG: $0\% \times \$2,000 = \400 or $0.2 \times \$500 = \400

Additional CESG: $0\% \times \$500 = \50 or $0.1 \times \$500 = \50

Total CESG: $\$400 + \$50 = \$450$

FAMILY 1

Samira and Siddhant make \$68,570 a year. They put \$750 into their daughter's RESP each year.

Basic CESG: _____

Additional CESG: _____

Total CESG: _____

FAMILY 2

Kimiko is a single mother with one child. Her family income is \$41,400. She puts in \$200 into her son's RESP every year.

Basic CESG: _____

Additional CESG: _____

Total CESG: _____

FAMILY 3

Sonia and Pavlo earn \$123,000 annually. They opened an RESP for each of their two children and contribute \$1,500 to each RESP every year.

Basic CESG: _____

Additional CESG: _____

Total CESG: _____

G. Read the text. Then, match the words with their meanings.

USING AN RESP CALCULATOR

You can use an RESP calculator to find out how much money you can save for your children's education. The calculator can tell you how much money your children will have when they go to college or university. You can also calculate how much money the government will add to the RESP.

You can find RESP calculators on the Internet. Here is one example:

RESP CALCULATOR

Complete the form below and click to calculate.

Step 1. Enter your current RESP balance: \$

Step 2. Enter your planned annual contribution: \$

Step 3. Select your net family income: \$ **▶**
Less than 41,544
Between \$41,544 and \$83,088
More than \$83,088*

Step 4. Enter investment rate of return: %

Step 5. Enter your child's birth month and year:

Month: Year:

CALCULATE

**These income amounts are for 2011.*

- | | |
|--|---|
| <p>1. _____ RESP balance</p> <p>2. _____ planned contribution</p> <p>3. _____ annual</p> <p>4. _____ net family income</p> <p>5. _____ investment rate of return</p> <p>6. _____ current</p> | <p>a. every year</p> <p>b. how much money you have in the RESP</p> <p>c. how much money you plan to put in the RESP</p> <p>d. present; right now</p> <p>e. how much money your family earns after income tax and other deductions</p> <p>f. how much the RESP will grow each year</p> |
|--|---|

H. Read the story and complete the RESP calculator below with the information about Amina and Joseph's family.

Amina and Joseph have a daughter, Dana, who was born on June 19, 2008. They want to open an RESP for her. They use an RESP calculator to find out how much money their daughter might have when she goes to college or university.

Right now they don't have any money in an RESP. Their annual family income is \$38,126. They think they can put \$75 into Dana's RESP each payday (every two weeks). They think her RESP could grow 5 percent each year.

How much can Amina and Joseph contribute to their daughter's RESP each year? Calculate.

amount of a payday contribution: _____
 number of paydays in a year: _____
 total annual contribution: _____

RESP CALCULATOR

Complete the form below and click to calculate.

Step 1. Enter your current RESP balance: \$

Step 2. Enter your planned annual contribution: \$

Step 3. Select your net family income: \$ ▶

Less than 41,544
Between \$41,544 and \$83,088
More than \$83,088*

Step 4. Enter investment rate of return: %

Step 5. Enter your child's birth month and year:

Month: Year:

CALCULATE

**These income amounts are for 2011.*

I. Read the completed RESP calculator form. Read the sentences below and write T (True) or F (False).

1. The calculator can tell how much university or college will cost. _____
2. Amina and Joseph plan to save \$1,850 each year. _____
3. Amina and Joseph have money in an RESP for their daughter. _____
4. The money in an RESP will earn interest and grow. _____
5. Net annual income means the amount of money the family earns each month. _____

J. ① Search the Internet for RESP calculators. Choose one calculator and use it to find the amounts for the scenario below. Then, use the calculator for your own situation. Present your results to the class.

Lucinda and Carlos want to open an RESP for their son, Juan, born on October 31, 2005. Their family income is \$54,200 a year. They plan to contribute \$900 to their RESP each year. They think their investment will grow on average at 2 percent.

- What are Lucinda and Carlos' total RESP savings?
- Change the amount of their annual contribution (e.g., \$1,000 or \$800). How will the total RESP savings change?
- Change the projected rate of return on their investment (e.g., 3.5 percent). What will the total RESP savings be?

Objective(s) and CLB level




The objective of this series of activities is to familiarize learners with some of the concepts and terminology of RESPs and two related government programs: the CESG and Canada learning Bond. The activities provide practice in vocabulary use, reading and speaking. They are generally appropriate for learners at CLB 5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Understand vocabulary and concepts related to RESP, CESG and the CLB
- Understand the effects of different saving strategies
- Identify an RESP plan appropriate for a specific situation

Corresponding CLB competencies

-  CLB 5: Get information from simple to moderately complex business or service texts.
-  CLB 5: Understand simple to moderately complex descriptive ... texts on familiar topics.
-  CLB 5: Agree, disagree, and give opinions in small group discussions or meetings.

Procedures

This series of activities is intended for learners at CLB 5. It provides information and language practice around the topic of RESPs. You can introduce the topic by having a short, guided discussion on sources of income for university/college students; different ways of financing higher education; and comparing Canada to other countries.

A. Ask learners to read the text. You can also use it as a jigsaw reading: divide it into sections and assign parts of the text to small groups, where each group member reads the assigned section and reports back the information.

B. Answers:

1. charge
2. maximum
3. register
4. qualifying
5. put in
6. in total

C and D. Learners can work in pairs to complete these exercises. They retell information about RESPs or write a point-form summary.

E–H. This series of activities is intended for learners at CLB 5.

F. Answers:

1. b
2. g
3. e
4. a
5. d
6. c
7. f

G. Answers:

1. you are not related
2. there are no age limits
3. be sure to ask your group plan dealer ...
4. shop around for the plan that best suits your needs
5. you'll be asked to sign a contract
6. you prefer having someone decide how to
7. will continue his/her education after high school

H. Learners can work in pairs or small groups and discuss all scenarios. You could also assign one scenario per group and ask each group to present it to the class.

Beyond the classroom: Learners can research information about RESPs online or by visiting a local financial institution. Learners can practise calculating the RESP contributions and applicable government grants for their own purposes.

A. Read the text below.**RESP**

A Registered Education Savings Plan (RESP) is a special account to save money for post-secondary education. This account is registered with the Government of Canada, specifically the Canada Revenue Agency. You can open an RESP for your children or for yourself. Also, other family members (for example, grandparents) or friends can open an RESP for a child. A person who opens an RESP is called a subscriber. The person who will receive the money is called a beneficiary.

You can open an RESP with a financial institution such as a bank, a credit union or a trust. You do not need to have an account there to open an RESP. You can also open one through a financial planner or a group plan dealer. RESP providers manage RESP plans. Some RESP providers charge fees and others do not.

There is no limit on how much money you can put into an RESP every year. But the maximum you can contribute in total, over the life of the RESP, is \$50,000. When your money is in the RESP, it earns interest. You do not have to pay taxes on this interest. It is the beneficiary who will pay taxes on the money when he/she withdraws it, since this is going to be his/her income. Usually, student income is low, so taxes are low, too.

Students can use money from their RESP when they register in a qualifying post-secondary educational program. It can be an apprenticeship, trade school, college or university. Students can attend their program part-time or full-time, but it has to be a minimum of 12 hours per month.

Canada Education Savings Grant

If you open an RESP for a child younger than 17 years old, the government will add money to it. This money is called Canada Education Savings Grant. How much grant money you will get from the government will depend on your income. For example, everybody can get at least 20% of the amount they put in each year, up to \$500. Families with low income can get more grant money from the government. In total, each child can get up to \$7,200 in Canada Education Savings Grant.

Canada Learning Bond

The Canada Learning Bond helps families with low income to save money for their children's education. To qualify, the family needs to receive the National Child Benefit Supplement with their Canada Child Tax Benefit. A child needs to have an RESP opened in his/her name and the government will contribute money to it until the child is 15. The family does not need to make any payments into this RESP. The government can give a lifetime total of \$2,000 per child in Canada Learning Bond money.

B. Based on the text you read, write definitions for the following words or phrases. Compare your definitions with those in a dictionary, where possible.

Example: trust: a type of financial institution where you can open an RESP

1. RESP provider _____
2. financial planner _____
3. beneficiary _____
4. to withdraw _____
5. income _____
6. maximum _____
7. subscriber _____

C. In the text, find the words that have the same or a similar meaning to the words below. Write the words from the text in the space provided.

1. ask for money for service (par. 2) _____
2. up to (par. 3) _____
3. to enroll (par. 4) _____
4. eligible (par. 4) _____
5. to contribute (par. 5) _____
6. altogether (par. 6) _____

D. Answer the questions below using the information you read.

1. Who can open an RESP? Where can they open it?
2. How much, altogether, can you contribute to an RESP?
3. When are taxes paid on the money earned in an RESP?
4. Who can use the money saved in an RESP? When can they use it?
5. What is the Canada Education Savings Grant and how much is it?
6. Who can receive the Canada Learning Bond and for how long?

E. Read the information about various types of RESP plans.

There are three general types of RESP plans.

Family:

- Ideal if you have one child or more.
- You can name one or more children as beneficiaries.
- The children must be related to you.
- They may be your own children or adopted children, and can be grandchildren, brothers or sisters.

Individual (non-family):

- Ideal if you are not related to the child you are investing for.
- For one person.
- The person doesn't have to be related to you.
- There are no age limits.
- This RESP could even be for you or another adult. However, the Canada Education Savings Grant is only for children aged 17 or younger. And the Canada Learning Bond is only for children aged 15 or younger.

Group:

- Ideal if you can make regular payments throughout the term of the RESP.
- For one child.
- The child doesn't have to be related to you.
- Your savings are combined with those of other people.
- How much each child gets is based on how much money is in the group account, and on the number of students of the same age who are in school that year.
- Plans are provided by group plan dealers, who usually put money in low-risk investments.
- Each group plan is different and has its own rules. Be sure to ask your group plan dealer for details, and read the plan rules carefully, as you would with any investment.
- Shop around for the plan that best suits your needs.
- Usually, you must make regular payments into the plan over a certain period of time (you'll be asked to sign a contract agreeing to make these regular payments).
- Group plans are good if you prefer having someone else decide how to invest the money for you, and if you're fairly sure that the child you are saving for will continue his/her education after high school.

Source: *Education Savings for your Child*, CanLearn. Retrieved from: <http://www.canlearn.ca/eng/saving/resp/group.shtml>.

F. Match the phrases from the text with their meanings.

- | | |
|------------------------------|---|
| 1. ____ regular payments | a. investments that are relatively safe |
| 2. ____ savings are combined | b. repeated payments that are made at certain intervals |
| 3. ____ fairly sure | c. is what you really need |
| 4. ____ low-risk investments | d. go to many places to check prices, deals, etc. |
| 5. ____ shop around | e. pretty certain; quite convinced |
| 6. ____ suits your needs | f. period of time in which the RESP is active |
| 7. ____ term of the RESP | g. money saved is put together |

G. In the text about types of RESP plans, underline the phrases/words that mean the same as the ones below.

PHRASE	PARAGRAPH
1. ... you are not a relative of a child you are saving money for.	_____
2. It's for people of all ages.	_____
3. You need to ask your group plan dealer about specific information ...	_____
4. Check out many plans until you find the one that is best for you.	_____
5. The group plan dealer will request that you sign a contract ...	_____
6. ... you like it more when someone else makes decisions for you ...	_____
7. ... the child will go to college or university.	_____

H. For each situation, answer the questions below. Refer to the text and support your answer with the information you read.

SITUATION 1

Joan and Ricardo have two granddaughters, aged two and four. They would like to save money for their education and have decided to put aside \$2,000 for each child every year.

SITUATION 2

Anita is a single mother. Her son, Juan, is 12 years old. Anita wants to open an RESP for her son, but she is not sure if she knows enough to be able to make any decisions about how to invest her money. She will contribute \$20 from each pay cheque. She gets paid bi-weekly.

SITUATION 3

Kim and Tony have two children, aged 12 and nine. They would like to save some money for their education but are not sure if both of them will pursue post-secondary education. They want to put in \$10 a week for each child.

SITUATION 4

Ming is 21 and, at present, he is an adult student. He has a part-time job. He would like to go to college in the next five years. However, he needs to save money for it first. He thinks he will be able to put aside \$100 a month.

1. What type of RESP plan is most suitable in each situation?
2. How long can the subscriber(s) make contributions to their RESP plan(s)?
3. How much will the subscriber(s) contribute to their RESP plan(s) annually? Calculate.
4. How much money will the Government of Canada add in the form of Canada Education Savings Grants to each RESP plan? What will the total annual contribution to each plan be? Calculate using 20 percent as the rate of contribution.



Employment



The activities in this section explore the topic of getting paid with a particular focus on reading a pay stub, and the topic of entrepreneurship and starting a small business. The activities present basic information about the Apprenticeship Incentive Grant and the Second Career program in Ontario.

The *Financing Career Training* section includes two sets of activities:

Getting Paid

Starting Your Own Business

You can select activities to teach based on the needs and interest of the learners in your class. The activities can be used individually and need not be used in the sequence in which they are presented. You may also add your own activities where appropriate. Suggestions and ideas for extending or complementing the specific activities are included in the teaching notes.

You can complement the activities in this section with online activities at *English for Financial Literacy > Online Activities*.

The activities in this section relate to the following theme in *LINC 1–5 Curriculum Guidelines*:

- **Employment**

Learning Outcomes

The sample learning outcomes below can help you plan a lesson or series of lessons about financial topics related to employment. The outcomes are intended to guide you in defining areas of content and contexts for the language instruction. The financial literacy outcomes can help you determine the aspects of financial literacy to include in your instruction in order to facilitate learners' understanding, knowledge and competence. The language outcomes can guide you in selecting and designing language activities at CLB 3–5 that support financial literacy.

The activities included in this section are intended to support the outcomes below.

Sample Financial Literacy Outcomes	Sample Language and Numeracy Outcomes
<p>Understanding and knowledge</p> <ul style="list-style-type: none">• Understand vocabulary and concepts related to getting paid• Understand format and content of common remuneration forms (pay slip, T4 slip)• Become aware of various options for starting one's own business• Become aware of fraudulent employment schemes <p>Application</p> <ul style="list-style-type: none">• Identify specific amounts of pay and deductions• Estimate and calculate earnings and deductions• Track employment records and income• Identify fraudulent job advertisements or job offers• Compare different options for making money and their benefits in relation to own situation• Locate and access information about government programs providing support in starting own business	<ul style="list-style-type: none">• Demonstrate comprehension of specific details in a monologue about a statement of earnings• Find information in a formatted text (pay slip, T4 slip)• Demonstrate comprehension of the gist, factual details and some implied meanings in a text about employment scams• Ask for and provide information about details of the specific government program for newcomers starting own business

When planning a lesson or a series of lessons, you can use the listed outcomes as they are or develop your own based on the needs and interests of the learners in your class. For ideas and strategies for conducting a needs assessment, see the *Instructor Guide*.

Background Information and Key Language Elements

You can use the background information to familiarize yourself with key information about getting paid, starting a business and employment fraud. For sources of more information on these topics or related classroom resources, please see the *Useful Websites* section.

The sidebar below lists major language elements that you may want to introduce or review to support the thematic content of the activities.

Getting Paid

For newcomers to Canada, understanding how much one's take-home pay will be is challenging. In addition to knowing about labour laws regarding minimum wage and overtime pay, new employees need to understand and verify the information on their pay stubs. Deductions such as those for income tax, Canada Pension Plan and Employment Insurance, union dues, health benefits and employer pensions may be unfamiliar. Many newly employed people are shocked to discover that their net pay is much smaller than expected. It is important to understand what the deductions are for and the benefits they will provide for the employee, now and in the future.

While it may seem desirable or convenient to be paid in cash, learners should be advised that unscrupulous employers may choose this method of payment in order to avoid paying the employer's portion of CPP and EI contributions. If these payments are not made to the government, the employee will not be eligible for CPP or EI benefits. If an employer pays in cash, a pay stub must still be issued. The employee can then confirm that income tax, CPP and EI deductions have been made.

Newcomers are particularly vulnerable to employment schemes and scams that can cost a great deal of money without providing any income. Learners should be warned about advertising that promises a high salary in return for relatively simple jobs, and positions that require payment up front for training or other costs. The vast majority of such schemes do not provide real jobs.

Starting a Business

Many newcomers to Canada dream of starting a business, and may be interested in learning about different types of business opportunities, such as starting a franchise, buying an existing business or starting a new business. Those who are interested in starting a business will need to know the steps to take, including the importance of a good business plan. There are several useful business start-up resources available in Ontario, such as the Small Business Enterprise Centres located in communities across Ontario. They may also want to know what kind of financial assistance programs are available to newcomers who want to start their own business.

Key vocabulary and collocations

freelance job
entrepreneur
commission
gratuity
apprenticeship
profit sharing
stock option
annual salary
pay rate
pay period
hourly rate
remuneration
earnings
fringe benefits
employment scam
scheme
illegitimate
bogus
phoney
business plan
market research
marketing strategy
financing

Proper names, abbreviations and acronyms

EI
CPP
CBO
RRSP
YTD

Related skills and strategies

skimming long texts
scanning web pages

Teaching Notes | Getting Paid

The objective of this series of activities is to familiarize learners with some of the concepts and terminology related to forms of getting paid and pay stubs. The activities provide practice in vocabulary use, reading and speaking. These activities are generally appropriate for learners at CLB 3 and 4.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Understand various ways of getting paid and their impact on one's financial situation
- Identify information included in a pay stub

Corresponding CLB competencies

- 🗣️ CLB 3–5: Understand simple narrative or descriptive communication on topics of personal relevance (CLB 3, 4); understand information on familiar or relevant topics.
- 📖 CLB 3–5: Get information from simple formatted texts (web pages) (CLB 3, 4); locate and use 1 or 2 pieces of information from moderately complex formatted texts (CLB 5).
- 📖 CLB 5: Locate and use 1 or 2 pieces of information from moderately complex formatted texts (such as ... website navigation menus).

Procedures

A and B. These activities introduce and provide practice in using basic vocabulary related to getting paid. As a warm-up, elicit words that mean remuneration (*pay, earnings, wages, salary*). Ask learners in what form (e.g., cheque, cash, direct deposit) and how often (e.g., weekly, monthly) employees get paid in the country they come from; discuss differences in Canada.

A. Answers:

1. b 2. g, f 3. h 4. c, e 5. i 6. j 7. a 8. d

B. Learners can work in small groups or pairs. Elicit how employees get paid in countries your learners come from; ask learners to compare to Canada.

C. This activity offers practice in reading a pay stub (an example of formatted text) and is appropriate for learners at CLB 3 and 4. You can ask general comprehension questions before learners work on the vocabulary matching, e.g., *Who is this pay stub for? What parts does it have?*

Answers:

1. g 2. b 3. i 4. a 5. h 6. f 7. e 8. d 9. c 10. j

D. This comprehension exercise is appropriate for learners at CLB 3; with learners at CLB 4, you may want to ask questions about specific details and follow up with part E.

Extend this activity: You may also use this pay stub to have learners practise reading dollar amounts with dollars and cents. Learners can quiz each other in pairs.

Answers:

1. F. The employer's employee's name is John Smith. **or** The employer's name is XYZ company.
2. F. His pay stub **only** includes pay for July 18 **and** July 22. His pay stub includes pay from July 18 to July 22.
3. T. John Smith works 40 hours a week.

Getting Paid

4. F. He earns ~~\$1075~~ a week. He earns \$430.00 a week.
5. F. There are ~~four~~ deductions on the pay stub. There are three deductions on the pay stub.
6. T. The largest deduction is for income tax.
7. F. His current gross pay is ~~\$93.44~~. His current gross pay is \$430.00.
8. T. His net pay is less than his gross pay.
9. F. The pay stub is for a ~~two week~~ period. The pay stub is for a one-week period.
10. T. John will receive his pay on July 26.

F. This is a listening comprehension practice activity, appropriate for learners at CLB 3–4. Play the audio material two or three times before learners can answer the questions.

Transcript:

Typically, employees get paid weekly or biweekly. Most companies pay their permanent workers through direct deposit—each payday, they deposit earnings directly into an employee’s bank account. Other companies pay their employees, usually part-time or contract workers, with cheques.

With each paycheque or direct deposit, an employee has to receive a statement of pay, also called a pay stub or pay slip. A pay stub provides information about his or her income and deductions. A pay stub lists amounts for the last pay period and from the beginning of this year until present. This way, an employee knows how much he or she has earned so far this year and how much the deductions were.

On a pay stub, gross pay is listed first. Gross pay is usually calculated as your hourly rate times the number of hours worked in the pay period. It may also include pay for statutory holidays, if they occurred during that period, and vacation pay. For part-time or seasonal workers, vacation pay is usually included in the hourly rate.

Then, all deductions are listed. By law, an employer has to deduct income tax and contributions to the Canada Pension Plan (CPP) and Employment Insurance (EI) right off an employee’s paycheque. These programs are run by the government and every person who works has to contribute to them. EI is for workers who become unemployed and can then receive benefits. CPP pays benefits to retired people who qualify. Many people can receive these benefits when they need them.

An employer may also deduct money for a pension plan, group insurance plan (for example, medical and dental insurance), and RRSP savings plan, if they are offered. All these deductions need to be listed on a pay stub. An employee has to be informed about those deductions and agree to them. An employer cannot deduct money to cover the cost of tools, materials, or training for the job.

Finally, a pay stub lists net pay. This amount can be quite a bit lower than gross pay. Net pay is “take home” pay—it is the amount that will be deposited into an employee’s account or given as a paycheque.

G: Answers: 1. before 2. after 3. before 4. after

Getting Paid

H. This activity offers practice in listening comprehension, with focus on numbers (dollar amounts). It is appropriate for CLB 3–4 learners. Learners can practise dictating and writing down different amounts in pairs before they listen to the recording.

🔊 Transcript: and answers:

My name is Amy. Here's my pay stub. I work 40 hours a week. My rate is \$17.50 per hour. So the amount for 1 week is \$700. That is my gross pay. The year-to-date amount is \$18,200. My employee deductions are for income tax, Employment Insurance and Canada Pension Plan. The current income tax, for this pay is \$140.35. And I have paid \$3368.40 for this year, to date. The EI deduction for this pay is \$12.81. And the year to date amount for EI is \$307.44. The current Canada Pension Plan deduction is \$34.65. The year to date amount is \$831.60.

Now, my gross pay is \$700. My total deductions are \$187.82. So, when you subtract the deductions from my gross pay, you get my take-home pay, \$512.18. My year-to-date earnings are \$18,200 and my year-to-date deductions are \$4,507.44. My net pay is \$13,692.56.

STATEMENT OF EARNINGS					EMPLOYEE DEDUCTIONS		
Type	Hours	Rate	Amount	YTD	Type	Current	YTD
BASIC	40	\$17.50	\$700.00	\$18,200.00	INCOME TAX	\$140.35	\$3,368.40
					EI	\$12.81	\$307.44
					CPP	\$34.65	\$831.60
SUMMARY		GROSS PAY		DEDUCTIONS		NET PAY	
CURRENT		\$700.00		\$187.82		\$512.18	
YEAR-TO-DATE		\$18,200.00		\$4,507.44		\$13,692.56	

I. The purpose of this activity is to familiarize learners with sources of information about employment rights and provide practice in researching them. Learners can complete this task individually or in pairs; you can also assign it as an independent learning task. You could also demonstrate how to locate this information using an LCD projector/ smart board. Information about minimum wage in Ontario can be found in several different places, including: <http://yourlegalrights.on.ca/resource/84531>; settlement.org; and the Ontario Ministry of Labour website: <http://www.labour.gov.on.ca> > Employment Standards > Publications > Guide > Minimum Wage. Learners can also try using the search term *minimum wage Ontario*.

J. This information gap activity follows up on the listening comprehension in Part H. It is appropriate for CLB 3 learners.

K: Answers: Missing are the employee's name, the hours, the overtime rate and the vacation rate, the income tax for current and YTD, the EI deductions for current and YTD, the current gross pay and the YTD gross pay.

L. To access the Ontario Job Futures website, have learners use the search term "Ontario Job Futures" or go to the Ontario Ministry of Training, Colleges and Universities website: <http://www.tcu.gov.on.ca> > Employment Ontario > Labour Market Information > Ontario Job Futures. Ask learners to search occupations alphabetically (learners may need help naming jobs or occupations they are interested in). To extend this activity, you may ask additional questions about the occupations learners have chosen.

Learners' goals beyond the classroom: Learners can access information about deductions (CPP, EI) related to a specific income. They can also access pay stub samples available online to become more familiar with different formats and the language used in their descriptions.

A. With a partner or in a group, discuss the meanings of the words below. Then, complete the sentences with the correct words.

a. wages	c. separation pay	e. cost of living	g. vacation pay	i. bonus
b. salary	d. profit-sharing plan	f. statutory holidays	h. commission	j. tips

- Jonas has just started his first permanent job as a bookkeeper with an annual _____ of \$28,000.
- Earnings for part-time work usually comprise _____ and _____. They are included in the hourly rate.
- Affina works in a fashion boutique. Her wages are low, but she receives 20 percent _____ for every sale she completes.
- When Carlos worked on a one-year contract in northern Alberta, away from his family, the company paid him _____. He also received _____ payments to cover his accommodation, food expenses and transportation.
- Hui gets an annual end-of-year _____ if his department performs well.
- Mona supported herself through her university years working in a restaurant. She earned more money in _____ than in wages.
- Juan works as an electrician and receives his _____ weekly.
- Large companies often pay their employees with company shares in addition to regular earnings. This is called a _____.

B. Below are categories of work that differ in the way employees get paid. Give examples of jobs for each category. Discuss how they may differ in getting paid.

Example: seasonal job *farm worker, fisherman*

- permanent full-time position _____
- contract job _____
- freelance job (self-employed) _____
- part-time job _____
- job with tips _____
- work on commission _____
- apprenticeship _____

C. Read the pay stub. Then, match the terms with their meanings.

<h1>XYZ Company</h1>				EMPLOYEE	John Smith		
				PAY FROM	July 18, 201_		
				PAY TO	July 22, 201_		
				PAY DATE	July 26, 201_		
STATEMENT OF EARNINGS				EMPLOYEE DEDUCTIONS			
Type	Hours	Rate	Amount	YTD	Type	Current	YTD
BASIC	40	10.75/hour	430.00	11,610.00	INCOME TAX	64.50	1741.50
					EI	7.65	206.66
					CPP	21.29	574.70
SUMMARY		GROSS PAY		DEDUCTIONS		NET PAY	
THIS PAY		430.00		93.44		336.56	
YEAR-TO-DATE		11,610.00		2,522.36		9,087.64	

1. ____ pay period a. money you earn
2. ____ gross pay b. your total earnings before deductions
3. ____ hourly rate c. tax on your earnings (income) imposed by the federal and provincial governments
4. ____ earnings d. Employment Insurance; money you will receive if you're laid off or unable to work, e.g., because you're ill or pregnant
5. ____ net pay e. Canada Pension Plan; public pension benefits that everybody contributes to depending on how much they earn
6. ____ deduction f. money the employer takes away or deducts
7. ____ CPP g. a period of time for which you get paid
8. ____ EI h. your earnings after deductions; the amount you get paid
9. ____ income tax i. how much you earn per hour
10. ____ YTD j. Year-To-Date; means a period from the start of this year until this pay date

D. Read the sentences. Write T for true and F for false. Rewrite the false sentences to make them true.

1. The employer's name is John Smith. _____
2. His pay stub only includes pay for July 18 and July 22. _____
3. John Smith works 40 hours a week. _____
4. He earns \$1,075 a week. _____
5. There are four deductions on the pay stub. _____
6. The largest deduction is for income tax. _____
7. His current gross pay is \$93.44. _____
8. His net pay is less than his gross pay. _____
9. The pay stub is for a two-week period. _____
10. John will receive this pay on July 26. _____
11. John worked overtime in this pay period. _____
12. John's employer includes vacation pay with each paycheck. _____

E. Answer the questions about John's pay stub.

1. What is the purpose of the pay stub?
2. What information does it include?
3. What information about John's job does it not include?
4. How is the net pay calculated? Explain.

F. 🎧 Listen to the talk about a statement of pay. Answer the questions.

1. How do employers pay their employees?
2. What does a pay stub list?
3. How is gross pay calculated?
4. What deductions can an employer make? Explain.
5. What is net pay?

G. Complete the sentences using *before* or *after*.

- Gross pay is the amount of money you earn _____ deductions.
- Net pay is the amount of money you receive _____ deductions.
- _____ you receive your pay, your employer makes deductions from your earnings.
- The government receives the money for your deductions _____ your employer takes the money from your earnings.

H. Listen and write the amounts in the correct places on the pay stub.

STATEMENT OF EARNINGS				EMPLOYEE DEDUCTIONS			
Type	Hours	Rate	Amount	YTD	Type	Current	YTD
BASIC	40				INCOME TAX		
					EI		
					CPP		
SUMMARY		GROSS PAY		DEDUCTIONS		NET PAY	
THIS PAY		700.00					
YEAR-TO-DATE		18,200.00					

1. Search the Internet and complete the table with the missing information. Make statements about the data you found.

- minimum wage in Ontario:
 - general
 - home worker
 - liquor server
 - student
- overtime pay
- vacation pay
- work on a statutory holiday

J. Information gap—Student A

Ask your partner about the missing information on the pay stub. Then, answer his/her questions.

A-1 Products Limited				PAY FROM	October 10, 2011	
				PAY TO	October 14, 2011	
				PAY DATE	October 17, 2011	
STATEMENT OF EARNINGS				EMPLOYEE DEDUCTIONS		
Type	Rate	Amount	YTD	Type	Current	YTD
BASIC	10.50/h	_____	17,672.74	INCOME TAX	69.30	_____
OVERTIME		94.50	_____	CPP	_____	874.80
VACATION		22.24	109.80	EI	27.81	883.63
SUMMARY	GROSS PAY			DEDUCTIONS	NET PAY	
CURRENT	578.74			_____	452.98	
YEAR-TO-DATE	_____			3,840.28	_____	

**J. Information gap—Student B**

Answer your partner's questions about the information on the pay stub. Then, ask your partner about the missing information.

A-1 Products Limited				PAY FROM	October 10, 2011	
				PAY TO	October 14, 2011	
				PAY DATE	October 17, 2011	
STATEMENT OF EARNINGS				EMPLOYEE DEDUCTIONS		
Type	Rate	Amount	YTD	Type	Current	YTD
BASIC	_____	462.00	_____	INCOME TAX	69.30	2,650.91
OVERTIME		94.50	157.50	CPP	28.65	_____
VACATION		_____	109.80	EI	27.81	888.63
SUMMARY	GROSS PAY			DEDUCTIONS	NET PAY	
CURRENT	_____			125.76	_____	
YEAR-TO-DATE	17,940.04			_____	13,832.46	

K. Complete the sentences below with the correct modal verbs from the chart. Then, make your own statements about a pay stub and the information it includes.

Modal Verb	Meaning	Example
can	ability	You can take paid time off instead of receiving overtime pay.
can, may	possibility	Your employer may include your vacation pay on each paycheque.
should	advice	You should always check your pay slip to be sure it is correct.
must, have to	obligation, necessity	If you are in a minimum-wage general job in Ontario, your employer must pay you \$10.25 per hour.

1. Your employer _____ pay you by cash, cheque or direct deposit.
2. Your employer _____ give you a pay slip (pay stub) every time you are paid.
3. An employer who pays you in cash _____ not want to give you a pay slip.
4. You _____ always check your pay slip to be sure it is correct.
5. Your pay slip _____ show your name, the pay period, your rate of pay, the gross amount, the net amount, and the amount and purpose for each deduction.
6. All the hours you worked, both regular and overtime, _____ also appear on your pay slip.
7. You _____ be paid at least the minimum wage for every hour you work.
8. If your employer is paying you less than the minimum wage, you _____ keep a record at home of all dates, hours and wages paid to you.
9. _____
10. _____
11. _____
12. _____

L. ① Access the Ontario Job Futures website and find the following information about an occupation of your choice. Present your findings to the class.

Occupation	Average annual income	Characteristics of employment (full-time, part-time, self-employed)

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with some of the concepts and terminology related to starting their own business and entrepreneurship. The activities provide practice in vocabulary use, reading and speaking. These activities are generally appropriate for learners at CLB 4 to 5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Be aware of different forms of business ownership and their implications

Corresponding CLB competencies

- 🔗 CLB 4,5: Understand short communication intended to influence or persuade others in familiar, everyday situations (CLB 4); understand the gist and some details in moderately complex communication intended to influence or persuade (such as simple advice, opinion or suggestions) in everyday personally relevant situations (CLB 5).
- 📖 CLB 3–5: Get information from simple formatted texts (web pages) (CLB 3, 4); locate and use 1 or 2 pieces of information from moderately complex formatted texts (such as ... website navigation menus) .
- 📖 CLB 5: Locate and use 1 or 2 pieces of information from moderately complex formatted texts (such as ... website navigation menus).

Procedures

A and B. These are a warm-up activities to this series of activities. Have learners discuss the questions in small groups; learners can use the pictures to identify examples of small businesses. Elicit learners' experiences in running their own businesses and ask them to talk about the advantages and challenges.

C. This is a pre-reading vocabulary practice.

Answers:

1. h 2. a 3. e 4. f 5. d 6. j 7. c 8. g 9. b 10. i

D and E. Have learners read the text and answer the comprehension questions. As a follow-up exercise, learners can discuss the questions from Part D in pairs or small groups, then present their choices to the class.

F and G. This is another text about forms of business ownership; learners listen to it and take guided notes of supporting details for each key point. Follow up with comprehension and discussion questions.

Transcript:

Host: Today's guest is Michelle Harmon, a small business expert and successful entrepreneur. Michelle is going to tell us how to go about starting a small business. Michelle, let's look at some of the steps you need to take in order to start your own business.

Michelle: Well, there are three common ways to get into business. You can start the business as a new enterprise, or you can buy an existing business. You can also decide to purchase a franchise. But no matter which way you choose, you will need a business plan.

Starting Your Own Business

Host: What exactly is a business plan?

Michelle: This is a written document telling who you are and what you want to achieve. It also tells the location of your business, when you will start your business and how you will face risks and earn a profit. Your business plan is extremely important. You might need to show it to people who can help you with your new business. For example, you might need to borrow money from a bank. A good business plan can help you get a loan more easily.

Host: So, with a good business plan, you might be able to get a loan?

Michelle: That's right. You also need to decide how you will organize your business. For instance, will you run the business alone, or will you have a business partner? Here are two of the common types of business structures: sole proprietorship and partnership.

Sole proprietorship means you run the business alone. You face all the risks, but you keep all the profit. But you must also pay the money from your own or the business' assets, in the case of a debt.

A partnership is similar to a sole proprietorship. It means you run the business with a partner. You face all the risks together, and you share the profit. You and your partner must also pay the money from your own or the business' assets in the case of a debt.

Host: If your business is going to be a partnership, do you need any kind of written contract?

Michelle: Yes, definitely. You will have to agree on business decisions with your partner. So, it is wise to ask a lawyer to help you write a partnership agreement together.

Answers:

Three common ways to get into business:

- start a new enterprise
- buy a business
- buy a franchise

Business Plan—written document tells who you are and what you want to achieve

- location of business
- when you will start business
- how you will face risks and earn profit
- need business plan to show people and for loans

Alone? (sole proprietorship)

- take all risks
- keep all profits
- in case of debt... pay money from own assets or business assets

Business partner? (partnership)

- take risks together
- share profits
- in case of debt ... pay money from own and partner's assets or from business assets
- make business decisions together
- need lawyer for partnership agreement

Starting Your Own Business

H. This is a vocabulary practice that reviews vocabulary used in both texts: reading and listening.

Answers: 1. franchise 2. businesses 3. risk 4. sole proprietorship 5. partnership 6. document

7. business plan 8. enterprise 9. debt 10. profit

J. This research activity can also be used as a Beyond the Classroom assignment. The purpose of the Internet-based research is to locate and scan two or three resources just to get a sense what type of information about starting a business is available. Learners can create a table with columns listing the specific details, such as the name of the website, organization, URL, key items on the main menu, ease of use, etc. You can ask learners to brainstorm these as a class.

A. Discuss the questions with a partner or in a group.

1. What is a small business? Give some examples of small businesses. What type of business could be run by one person? By a family? By partners?
2. Do you know anyone who owns a business in Ontario? What kind of business is it? How long has the business been operating?
3. What qualities and skills does a person need in order to be a successful entrepreneur?
4. Would you like to start your own business? What type of business would you start? Why?

**B. Make a list of advantages and disadvantages of owning a business.****C. Match the definitions with the correct words or phrases.**

- | | |
|-----------------------------|---|
| 1. ____ enterprise | a. the right to operate in a certain line or brand of services or goods |
| 2. ____ franchise | b. money you owe |
| 3. ____ business plan | c. a business relationship of two or more people operating a joint business venture |
| 4. ____ risk | d. monetary gain derived from business |
| 5. ____ profit | e. a document setting out the objectives, strategies and expected profits of a business |
| 6. ____ sole proprietorship | f. the possibility of loss or misfortune |
| 7. ____ partnership | g. anything valuable or useful |
| 8. ____ asset | h. initiative in business; also, a company or firm |
| 9. ____ debt | i. person who sets up a business in hopes of making a profit |
| 10. ____ entrepreneur | j. a business enterprise owned by one person |

D. Read the text and answer the questions that follow.

What options do you have if you start a business? You have three main options.

Start from the beginning

This is the most challenging option. You will have to come up with an idea and a business plan as well as marketing strategies for your product(s) and services, and establish your clientele and credit.

Buy an existing business

This option has advantages, such as an established clientele and an existing business method. But you will have to figure out why the business is for sale and what it is really worth.

Start a franchise

A franchise is the right or privilege to deal in a certain line or brand of goods and services. A franchising company (franchisor) sells businesses or brands to small businesspersons. Usually, the franchisor supplies the product, materials and a certain amount of know-how. The franchisee (you) agrees to handle the product exclusively and run the business according to certain standards prescribed by the franchisor. This option combines the freedom of running an independent business with the advantages of working for a large company.

Source: Business Start-up Guide, Canada Business Ontario. Retrieved from <http://www.cbo-eco.ca/en/index.cfm/guides/business-start-up-info-guide/>.

1. Which option to start a business is the most challenging?
2. Which option can provide you with an established clientele?
3. Which option gives you “the best of both worlds” (an idiom that means having the benefits and advantages of two different things)?
4. If you start your business from the beginning, what will you have to come up with?
5. If you buy an existing business, what two things will you have to figure out?
6. Define the term “franchise.”
8. What two things does the franchisee agree to do?
9. What are the advantages of working for a large company?

E. In a group, discuss which option you prefer—to start from the beginning, to buy an existing business, or to start a franchise. Explain your reasons.

F. Listen to the interview and complete the notes.

Three common ways to get into business:

- *start a new enterprise*
-
-

Business Plan—written document that tells who you are and ...

- *location of business*
- *when you will start business*
-
- *need business plan ...*

How to organize —alone? (sole proprietorship)

- *take all risks*
- *keep all profits*
- *in case of debt ...*

Business partner? (partnership)

- *take risks together*
- *share profits*
- *in case of debt...*
- *business decisions....*
- *need lawyer for ...*

G. Listen again and answer the questions.

1. For what type(s) of business do you need a business plan?
2. What information is in a business plan?
3. Who might want to see your business plan?
4. What is a sole proprietorship?
5. What are the disadvantages of a sole proprietorship?
6. How is a partnership different from a sole proprietorship?
7. What is a partnership agreement?

H. Complete the sentences using words from the interview.

1. I decided to buy a _____ of Daily Bread. It is a successful bakery company that operates all over North America.
2. Some of Harold's _____ include a house, cottage and some investments.
3. Are you willing to take a _____ with a new business? If it is not successful, you could lose a lot of money.
4. If you prefer to work alone, a _____ might be the best type of business for you.
5. On the other hand, if you can work well with another person, maybe a _____ is a better business choice.
6. A business plan is a type of _____ that shows your plans for your new business.
7. You've started a business with a partner. Now you need to draw up a _____.
8. What kind of _____ do you plan to start with your new business?
9. Be careful with your spending—you don't want to get into _____ and owe money.
10. Everyone hopes their new business will make a _____, rather than a loss.

I. Discuss the questions about starting a business.

1. Do you know anyone who owns a business in Ontario?
What kind of business is it? How long has the business been operating?
2. Why do you think the idea of starting a business appeals to many people?
Is it appealing to you? Why?

J. ⓘ Search the Internet for resources on help available to people who want to start a business in your province. Make a list of sources of information or programs available.

Suggested key search term: *opening a business in Ontario.*

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with some of the possible employment scams. The activities provide practice in reading and speaking. These activities are generally appropriate for learners at CLB 3 and 4.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Identify an illegitimate job offer advertised online or in print
- Use online resources to research a possible employment fraud

Corresponding CLB competencies

- 🔊 CLB 3: Give an expanding range of simple warnings ... and cautions.
- 🔊 CLB 3, 4: Ask for and give information about needs and feelings related to ... everyday activities.
- 📖 CLB 4, 5: Get the gist, key information and important details of simple explicit texts (CLB 4); understand simple to moderately complex descriptive or narrative texts ... (CLB 5).
- 📖 CLB 3/4: Get information from simple formatted texts (web pages)
- ✍️ CLB 4: Write a short paragraph ... to describe a situation...

Procedures

A. This series of activities provides information on current employment scams. The warm-up activity provides examples of ads for illegitimate jobs. Discuss where learners could find job ads like these and whether they have come across any similar ads. Have learners discuss the questions in pairs or small groups. Elicit how a legitimate job ad would be different. You can also use local/provincial newspapers to have learners to skim job ads, locate the potentially fraudulent ones, and compare with legitimate ones.

B and C. This text present three most common and obvious signs signalling that a job ad can be fraudulent. Have learners read the text and answer the questions. For learners at higher CLB level, you could use the text as listening material and read it out loud before learners answer the questions.

D. In this writing task, learners give a warning and advice to someone looking for a job. Review/pre-teach appropriate expressions, modal verbs and vocabulary learners may need (e.g., *should*, *shouldn't*, *had better*, *it's not a good idea to*, etc.).

E. This information gap activity provides speaking practice; have all learners A and learners B work in separate groups; then, after, they regroup, they work in pairs (A and B). Review question formation (wh- questions) before the activity.

Beyond the classroom: Learners can visit the Ontario Ministry of Consumer Services and locate an article/articles with examples of job scams.

A. Read the ads below and answer the questions that follow.

“WE NEED HOME MAIL PROCESSORS IMMEDIATELY! National company expanding in your area needs individuals to stuff envelopes at home. No experience required. Full-time/Part-time. \$1,400 A WEEK GUARANTEED! \$200 SIGN-UP BONUS.”

Make \$500 to \$3,500 Per Month From Home! Without leaving your home or risking your hard-earned money! Without Selling Anything! Without Paying for Advertising! Without Needing Prior Experience!

Supply company currently starting persons for Sales, Customer Service, and Office Administration. Management opportunities for those who qualify. No experience needed, training provided. \$400 - \$1000 Weekly. 5 positions left. Hurry! Call now!!

We are seeking individuals who really are ready to change their lives, join an award winning team, and work consistently part time or full time with me to become independently wealthy in the next 12 months. No experience necessary. Will train.

To:	
CC:	xxx@mysteryshopper.com
SUBJECT::	Part-time Job Offer!!

Hello,
 We have a P/T Mystery Shopping job for you which pays \$400 per assignment and we would like you to participate. This job is very flexible and can fit all schedules. Your job is to act like a customer and perform a regular business transaction while you conduct a survey. As an Undercover Surveyor you get paid to conduct a simple Survey and provide valuable Customer Service Feedback to us. If interested, send the information below:

Full Name: _____ Social Insurance Number: _____
 Address: _____ Telephone: _____

Regards,
 Marketing Force

1. What jobs are advertised in these ads?
2. What words or phrases are used to attract a job seeker? Underline them in each ad.
3. Where can you find job ads like these?
4. Who do you think will respond to ads like these?
5. Would you apply for any of these jobs? Why?

B. Read the text about employment scams.**IS IT A REAL JOB?**

When you look for a job, you may check newspaper or online help wanted ads. Some ads sound really attractive, especially those promising high rates of pay for working in the comfort of your own home. There are some legitimate companies that use home workers to do such jobs as customer service or taking telephone orders. However, there are many work-from-home scams out there. Here are some “employment opportunities” to be wary of:

Envelope stuffing and at-home assembly jobs are probably not legitimate. This type of work can be done by mailing houses or overseas for much less money.

Medical billing or medical claims processing jobs are not likely to be legitimate. Medical information is protected by strict privacy laws, so doctors do not hire untrained individuals to handle this kind of work. They use large, reputable companies with trained staff.

Any job that asks you to pay money up front is a scam. Remember, employers pay you, not the other way around.

If you think the job may be a real opportunity, you can do some research. Check the websites of the Canadian Council of Better Business Bureaus for company names and complaints. The RCMP also has a site specifically for scams and frauds.

C. Answer the questions.

1. What two types of at-home employment may be legitimate?
2. Why are envelope and at-home assembly jobs almost never real jobs?
3. Why is medical billing or medical claims processing not legitimate as an at-home job?
4. How can you find out if a company advertising at-home employment offers a real job opportunity?

D. Write an email to a friend who is looking for a job warning him/her about possible job scams. Give examples and advice.

E. INFORMATION GAP: STUDENT A

1. Work with another Student A and write **Wh-** questions about the missing information in the text below (Part I). (for example: *What does the contract say you will be?*)

2. Re-group and work with Student B. Ask him/her about the missing information in Part I. Then, answer your partner's questions about Part II. Compare each other's texts and check the inserted information.

Part I. Bogus Business Opportunities

Some companies offer 1) _____ (*what?*) _____, like office cleaning. They ask you to pay an "investment fee" of 2) _____ (*how much?*) _____. The contract says you will be a "partner" or "subcontractor". They might ask you to 3) _____ (*what?*) _____. They guarantee a certain number of clients 4) _____ (*when?*) _____. Otherwise, they will give you a 5) _____ (*what?*) _____. But there are no clients, and you don't get a refund.

Part II. Make Big Profits Working at Home

Some ads promise 1) **a lot of money** to work from home. Beware. Often they want you to do 2) **low-paying work** like stuffing envelopes. Or they ask you to pay 3) **in advance** for your work materials. You pay the money. The 4) **materials** arrive. But you find 5) **they are worth much less than what you paid for them**.

Source: Scams and Employment Schemes, Ministry of Consumer Services. © Queen's Printer for Ontario, 2008. Retrieved from: http://www.sse.gov.on.ca/mcs/en/Pages/Scams_Employment_Schemes.aspx

3. Read the completed text and discuss the questions with your partner.

1. Why do some companies ask you to pay an investment fee? How much is the fee?
2. What do they guarantee?
3. What will happen if you do not get a certain number of clients in that time frame?
4. Why is this a bogus business opportunity?
5. What kind of work is involved in work from home schemes?
6. What do you have to pay for in advance? What is the problem with the materials?

E. INFORMATION GAP: STUDENT B

1. Work with another Student B and write Wh- questions about the missing information in the text below (Part I). (for example: *What does the contract say you will be?*)

2. Re-group and work with Student A. Ask him/her about the missing information in Part II. Then, answer your partner's questions about Part II. Compare each other's texts and check the inserted information.

Part I. Bogus Business Opportunities

Some companies offer 1) **specialized business opportunities**, like office cleaning. They ask you to pay an "investment fee" of 2) **several thousand dollars**. The contract says you will be a "partner" or "subcontractor". They might ask you to 3) **register your business separately from their company**. They guarantee a certain number of clients 4) **in a certain time frame**. Otherwise, they will give you a 5) **refund**. But there are no clients, and you don't get a refund.

Part II. Make Big Profits Working at Home

Some ads promise 1) _____ (*what?*) _____ to work from home. Beware. Often they want you to do 2) _____ (*what?*) _____ like stuffing envelopes. Or they ask you to pay 3) _____ (*how?*) _____ for your work materials. You pay the money.

The 4) _____ (*what?*) _____ arrive. But you find 5) _____ (*what?*) _____.

Source: Scams and Employment Schemes, Ministry of Consumer Services. © Queen's Printer for Ontario, 2008. Retrieved from: http://www.sse.gov.on.ca/mcs/en/Pages/Scams_Employment_Schemes.aspx

3. Read the completed text and discuss the questions with your partner.

1. Why do some companies ask you to pay an investment fee? How much is the fee?
2. What do they guarantee?
3. What will happen if you do not get a certain number of clients in that time frame?
4. Why is this a bogus business opportunity?
5. What kind of work is involved in work from home schemes?
6. What do you have to pay for in advance? What is the problem with the materials?

Housing



The activities in this section explore the topic of buying a home and its financial implications. The activities present background information and practical tools about costs of buying and owning a home, as well as mortgages . The activities provide opportunities to analyse and discuss planning for home ownership with focus on financing the purchase of a home.

The Housing section includes three sets of activities:

Renting vs. Buying a Home

Costs of Owning a Home

Buying a Home

You can select activities to teach based on the needs and interest of learners in your class. The activities can be used individually and do not need to be used in the sequence in which they are presented. You may also add your own activities where appropriate. Suggestions and ideas for extending or complementing the specific activities are included in the teaching notes.

You can complement the activities in this section with online activities at [English for Financial Literacy >Online Activities](#).

The activities in this section relate to the following theme in LINC 1–5 Curriculum Guidelines:

- **At Home In Our Community and The World**

Learning Outcomes

The sample learning outcomes below can help you plan a lesson or a series of lessons about financial aspects of housing - renting and owning a home. The outcomes are intended to provide guidance in defining areas of content and contexts for the language instruction. The financial literacy outcomes can help you determine the aspects of financial literacy to include in your instruction in order to facilitate learners' understanding and knowledge, as well as competence. The language outcomes can guide you in selecting/designing language activities at CLB 3-5 that support financial literacy.

The activities included in this section are intended to support the outcomes below.

Sample Financial Literacy Outcomes	Sample Language and Numeracy Outcomes
<p>Understanding and knowledge</p> <ul style="list-style-type: none">• Understand the process and concepts related to financing and buying a home• Understand how financing a purchase of a home works: affordability criteria, mortgages and government programs (HBP)• Compare mortgage variables such as down payment, mortgage, amortization, and interest rate in order to select a mortgage for own situation• Understand types of mortgages, their features and the relationship with interest rates <p>Application</p> <ul style="list-style-type: none">• Use online and print tools to determine costs of owning a home• Identify possible factors that will be used to determine if one can afford to buy a home• Access and navigate online calculators• Use an online mortgage calculator to compare various factors in mortgage payments	<ul style="list-style-type: none">• Demonstrate comprehension of online or print tools with financial information (e.g., net worth tool, budgeting tool, mortgage interest rate and amortization tables)• Conduct online research and give a short oral presentation about housing costs in a selected community• Participate in a small group/class discussion about factors involved in a decision to rent or to buy a home• Identify factual details and implied meanings in a web-based text about mortgages• Take notes from a talk about costs involved in purchasing and owning a home• Participate in a small group/class discussion about home ownership decisions• Locate information about costs of owning a home or various types of mortgages on the Internet

When planning a lesson or a series of lessons, you can use the listed outcomes as they are or develop your own based on the needs and interests of the learners in your class. For ideas and strategies for conducting needs assessment see the *Instructor Guide*.

Background Information and Key Language Elements

You can use the background information about housing to familiarize yourself with key financial concepts related to buying a home which are presented in learner activities in this section. For sources of more information on the topic of housing or related classroom resources, please see the *Useful Websites* section.

The side bar below lists major language elements that you may want to introduce or review to support the thematic content of the activities.

Buying a Home

Buying a home is the largest investment that most people make in their lives. It is a complex topic with challenging jargon and financial concepts. Understanding the key terms and the process of purchasing a home in Canada involves many core financial literacy skills, such as budgeting, saving, determining what is affordable, comparing options and decision-making.

Before looking at homes, potential buyers need to know the typical or average costs associated with home ownership. These costs can include not only the purchase price of the home, usually paid through a combination of down payment and mortgage, but also other costs such as home inspection, legal fees, land transfer tax, title insurance or title search fees, home insurance, and mortgage insurance for high-ratio mortgages. These costs amount to an average of 2% of the purchase price. After purchase, there are ongoing costs including mortgage payments, property taxes, utilities, maintenance and repairs.

Down Payment

Considering housing prices in Canada today, a down payment for a home is a huge investment. A down payment of 20% of the purchase price of the home is required for a conventional mortgage. A conventional mortgage does not require the borrower to purchase mortgage insurance. The minimum down payment allowable is 5% of the purchase price. A mortgage for a purchase made with less than a 20% down payment is called a high-ratio mortgage. Borrowers must purchase mortgage insurance, which adds to the overall cost of the mortgage.

A federal program, the *Home-Buyers' Plan (HBP)*, allows tax-free withdrawals from RRSPs of up to \$25,000 per person for use towards the purchase of a first home. Repayment to the RRSP may be made over 15 years, with no tax penalty. Taking advantage of the *HBP* helps first-time buyers to increase the amount of their down payment, and thus reduces the amount of their mortgage.

Mortgages

A mortgage is a loan from a financial institution for the purchase of a home. A basic understanding of the relationship between the length of a mortgage (amortization period), interest rates and the frequency of payments is necessary when making mortgage decisions.

When assessing whether or not a potential borrower can afford to purchase a home, lenders often use two rules. The first rule is that monthly housing costs should not be more than 32% of gross monthly income. Housing costs include monthly mortgage payments, property taxes and heating expenses. If the property is a condo, 50% of the monthly maintenance fee is included. The second rule is that monthly debt load should not be more than 40% of gross monthly income. This includes housing costs, and other debts such as car payments, personal loans, and credit card payments.

Key vocabulary and collocations

ownership
mortgage:
open/closed/high-ratio/
conventional
lender/mortgage broker
interest
interest rate:
variable/fixed
principal
amortization
mortgage term
down payment
payment schedule:
monthly/weekly/bi-
weekly/semi-monthly
property tax
to pay off/to pay back
to negotiate
to invest
to get pre-approved

Abbreviations

HBP
RRSP

Possible grammar structures

conditional sentences to
describe consequences
for different mortgage
options
conjunctions to express
cause/effect relationship
between mortgage
variables

Objective(s) and CLB level

The objective of this series of activities is to explore various aspects of renting and owning a home, with focus on financial factors. The activities provide practice in reading and speaking, and are appropriate for learners at CLB 4 and 5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Identify possible factors that will be used to determine if one can afford to buy a home
- Identify and compare advantages and disadvantages of renting vs. owning a home

Corresponding CLB competencies

- 🗣️ CLB 5: Agree, disagree and give opinions in small group discussions or meetings.
- 📖 CLB 5: Get information from simple and moderately complex business or service texts.
- 📖 CLB 5: Access and locate basic information from online reference sources.

Procedures

A and B. These are warm-up activities that introduce the topic of home ownership. Have learners discuss the questions in pairs or small groups and then take up with the whole class. Discuss various aspects of advantages/disadvantages (financial, family, pride of ownership, etc.) of both renting and owning a home. Ask learners to explain why people own/rent homes in countries they come from and compare to Canada (in Canada over 67% of people own their homes). You can also find out how many learners are interested in buying their own home in the future.

C and D. This short text provides a comparison between owning and renting. It prepares learners for the next activity, Part D, where they complete the chart with own ideas. For learners at CLB 3, you may need to simplify or explain the headings in the table. For possible ideas for each category, see the table at <http://www.getsmarteraboutmoney.ca/en/managing-your-money/investing/real-estate/Pages/renting-vs-buying.aspx>.

E. Have learners work in groups and read the profile. Learners can make a list of pros and cons for each option before they make their recommendation. Take up as a class and discuss the option that the majority chose.

F and G. This case study comes from Get Smarter About Money website and if you have access to a computer lab, learners can read it online at www.getsmarteraboutmoney.ca > Home > Managing your money > Planning > Budgeting > Stay at home, rent or buy? Kit's story. Discuss all options presented in the text and then compare with the figures in the table below (Part G). You can also assign each option to a different group of learners and have them provide supporting arguments for it. There is no need to reach a consensus.

H. In this exercise, learners write conclusions for each of Kit's options using the first conditional. You may need to review/ pre-teach the structure and provide a model.

I. This is an independent research activity that can also be done beyond the classroom. Have learners research rents in the neighbourhood of their choice and compare to home prices there. You may need to assist CLB 3 learners in this task by providing a website to access the information they need.

J. This a vocabulary practice with some expressions using the word *pay*. Learners can make their own sentences or write a mini-story using three expressions of their choice in it.

A. In pairs, answer the questions below.

1. Which is more common in the country you come from: renting or owning a home? Explain.
2. What costs can be involved in renting a home? Buying a home?

B. In a group, brainstorm and make a list of advantages and disadvantages of renting and owning a home. Present your list to the class.

RENTING A HOME

Advantages:

- _____
- _____

Disadvantages:

- _____
- _____

OWNING A HOME

Advantages:

- _____
- _____

Disadvantages:

- _____
- _____

C. Read the text about factors to consider when comparing renting to buying a home.

IS HOME OWNERSHIP FOR YOU?

Many people think it is better to own a home than rent it. There are many reasons why it is good to own a home, and as many – why it is good to rent it. Here are a few factors you may want to consider.

Costs: When you rent, your fixed monthly costs (rent, utilities and possibly insurance) will probably be lower compared to home ownership. As a home owner, you will have to make mortgage payments, pay property taxes, utilities, insurance, maintenance, as well as buy furnishing and decorating.

Investment: When you rent, your money goes to your landlord. When you buy, you build equity in your home. That means that over time, your home becomes more valuable and you could, in future, sell it and make a profit.

Maintenance: As a tenant, you are not responsible for maintenance, but you depend on your landlord to have any repairs made in a timely manner. As a homeowner, you are responsible for maintenance and repairs.

Commute: Rents are higher in prime areas, but you save time and money when you don't have to travel long distances to and from your workplace. You may decide to buy a more affordable house in a suburban area, but you will spend more time and money commuting to and from work.

Income potential: As a tenant, you will probably not be able to make any income; often landlords do not permit subletting. As a homeowner, you can rent out part of your home and have an additional income.

Flexibility to move: If you rent, you can usually move more quickly and more easily than if you own a home. As a home owner, you will need more time to sell your home and, depending on the circumstances, you may have to pay a mortgage penalty.

D. Complete the chart that follows with details from the text. In pairs, discuss which factors are most or least important to you. Rank the factors using numbers from 1 to 6, in order of importance to you. Add the factors that are important to you but were not included.

	RENTING	BUYING
Costs		
Investment Potential		
Income Potential		
Maintenance		
Commute		
Flexibility to move		

E. Read the case study below. Discuss whether George and Amanda should buy a home or continue to rent. Consider the factors listed above and make a recommendation. Present your recommendation to the class.



Amanda and George have been married for three years. Both have full-time jobs at the moment. Amanda’s office manager position is permanent and fairly secure. George’s computer engineer position is a one-year contract, which may or may not be renewed. He may have to find work in another city when his contract is finished. He and Amanda would like to start a family soon. Since they got married, they have saved a little for a down payment on a house, but they probably can’t afford to buy a house close to the downtown

area where they both work. Right now, they are renting a small one-bedroom condo within walking distance to work. However, the high rent they are paying means that they can’t put aside as much as they would like for a down payment. They feel pressure to get into the house market as soon as possible, since prices are rising.

F. Read a second case study. In a group, discuss the options and recommend the best one for Kit.



Stay at home, rent or buy? Kit's story

Kit has always lived at home with her parents in Hamilton, Ontario. But now, for the first time, she is thinking about moving out on her own. At age 25, she has finished school and been working full-time for 3 years. Her pay adds up to \$3,000 each month and has already saved almost \$15,000. The question is: should she stay, rent or buy? Which is the best choice financially? Here's how she assesses her options.

Option 1: Staying at home

If Kit stays at home, her parents have asked her to pay \$500 rent. This is the lowest cost option, of course. She plans to invest the money she saves and buy a home one day.

Option 2: Renting a townhouse

Kit next looks at a townhouse available for rent not far from where she works. She will pay her own utilities and maintenance. The rent will cost \$850 per month and utilities on average will cost another \$150.

Option 3: Buying a townhouse

Kit looks at a similar condo townhouse for sale in the same area. The asking price is \$142,000, and if she makes a 20 per cent down payment, her mortgage will cost \$660 a month. She will also have the same utility costs to pay as in option 2, plus extra costs: property taxes, a condo fee and maintenance, for example.

Source :<http://www.getsmarteraboutmoney.ca/en/managing-your-money/planning/budgeting/Pages/stay-at-home-rent-or-buy-Kits-story.aspx> Copyright Investors Education Fund, 2013.

G. The chart below lists the specific cost involved in each of the three options. Read the chart and discuss the options again. Would you recommend the same option considering the costs involved?

Payment	Option 1	Option 2	Option 3
Rent/mortgage	\$500	\$850	\$660
Condo fee/maintenance	--	\$150	\$180
Property taxes	--	--	\$235
Utilities	--	\$150	\$150
Insurance	--	\$30	\$100
Cash outlay per month	\$500	\$1,180	\$1325
How much Kit could save each month if she doesn't buy.	\$825	\$145	--

Source :<http://www.getsmarteraboutmoney.ca/en/managing-your-money/planning/budgeting/Pages/stay-at-home-rent-or-buy-Kits-story.aspx> Copyright Investors Education Fund, 2013.

H. Complete the conditional sentences about the three options Kit has. Add your own sentences using the appropriate modals.

Examples: *If Kit stays at home, she will pay only \$500 a month in rent.*

If she stays at home, she could save and invest some money each month.

1. If Kit rents a townhouse, _____.
2. Kit will need to get a mortgage if _____.
3. Kit won't need to pay property taxes or utilities if _____.
4. Kit won't be able to save any money if _____.
5. Kit's monthly cash outlay will be highest if _____.
6. _____.
7. _____.
8. _____.
9. _____.
10. _____.

I. ① In pairs, conduct the Internet search to find out about the costs of renting and owning a home in your town/city. Use an advertising website to find the costs of rents. Use the MLS website to find the prices of homes in your area. Present your findings to the class.

- RENTS:
1. _____
 2. _____
 3. _____

- HOME PRICES:
1. _____
 2. _____
 3. _____

J. Complete each sentence below with the correct phrase from the box.

pay off	pay back	pay an arm and a leg	pay the price
pay down	pay interest	pay top dollar	pay in advance

1. A lender will usually only let you use a cash gift towards a down payment if the giver does not expect to be _____ .
2. A buyer must be prepared to _____ for the whole length of the mortgage.
3. Lin got a \$10,000 bonus at work and used it to _____ her principal.
4. Marco _____ his mortgage in 15 years. He is now mortgage-free.
5. Roberto didn't know that a deposit must be _____, before his offer on the home is presented to the owners.
6. Jan will have to _____ for cancelling her mortgage before the end of her five-year term. The penalties are very high.
7. Beatrice didn't get a home inspection before she bought her home. She's _____ now because she has recently found some costly structural problems.
8. If you want to buy a home in a desirable area, you should be prepared to _____
_____.

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with some of the costs involved in a purchase of a home. The activities provide practice in creating/using a budgeting tool, and researching online information on real estate property prices across Canada. The activities are appropriate for learners at CLB 4 and 5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Identify possible expenses related to home ownership
- Use a budgeting tool to determine various costs of owning a home

Corresponding CLB competencies

- 🗣️ CLB 5: Agree, disagree and give opinions in small group discussions or meetings.
- 📖 CLB 5: Get information from simple and moderately complex business or service texts.
- 📖 CLB 5: Access and locate basic information from online reference sources.
- ✂️ CLB 4: Copy an expanded range of information from ... text for personal use.

Procedures

A. This warm-up activity introduces learners to the topic of the lesson. Learners can work in pairs or small groups. Ask learners to make a list of various factors that determine the price of the house.

B. In this activity learners group various expenses into three categories. Alternatively, you could start with the table and have learners brainstorm the expenses for each group; then, present the list and compare to theirs.

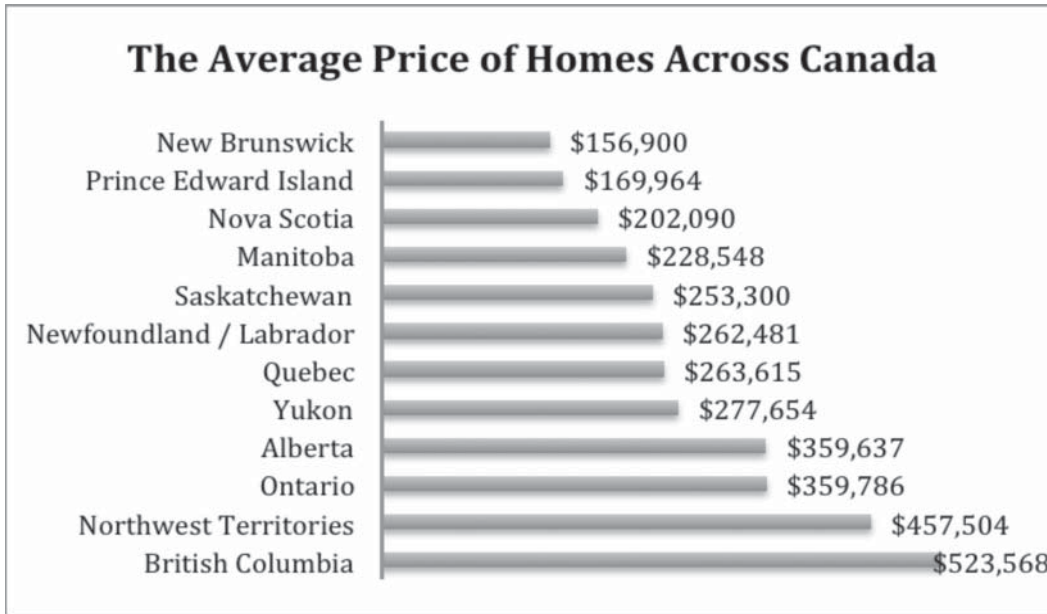
C, D and E. This instructional text presents information on how to keep track of expenses related to home ownership. You can check learners' comprehension by using the true/false statements in part D. In Part E, learners demonstrate their comprehension of details and create the tool using the information from the text. Many similar tools are available online and you can find them on Get Smarter About Money or Canada Mortgage and Housing Corporation (CMHC) websites.

Answers:

1. F 2. T 3. T 4. F 5. F 6. F 7. F 8. T

F and G. This is a research activity that can be completed individually or in pairs. Have learners discuss the types of homes listed and their features; discuss how they can affect a home price. In preparation for the task, walk learners through the LMS website and demonstrate a simple search. Then, have learners complete the task and present the results to the class. Learners can also conduct a search for a home they would like to buy and present it in small groups. As an alternative, you can assign a different type of home to research for each pair of learners and have them conduct the search. You will also need to elicit what factual information learners want to present, e.g., home location, size, price, special features, etc.

A. Look at the graph below and answer the questions.



Source: Canadian Real Estate Association, Sept. 2011

1. What factors do you think account for the differences in average prices across the provinces and territories?
2. What is the national average based on the statistics given?
3. How do these average home prices compare to home prices in your neighbourhood? In the town/city you live in?
4. How much does it cost to own a home in the country you come from?

B. Below are some of the expenses involved in owning a home. Sort the expenses into the appropriate categories in the table that follows.

down payment	mortgage payments	maintenance /repairs	property taxes
furniture/appliances	utilities	home inspection	legal fees
land transfer tax	home insurance	landscaping	closing costs
hook-up costs (cable/ phone/Internet)	moving expenses	water	condo fees

One-time expenses	Regular ongoing expenses	Occasional expenses

C. Read the text about planning ahead for all the expenses involved in home ownership.

How To Budget Before You Buy

Buying a home is one of the most important decisions in many people’s lives. Because it is such a large purchase, it is important that you know how much you can afford to spend before you start looking for a home. You will need to plan ahead for various expenses that relate to owning a home. Some of the costs, such as closing costs, are one-time expenses. Other costs, like mortgage payments or repairs, are ongoing expenses of owning and maintaining a home. You need to plan for all expenses and list them in your household budget so that you can afford them. Real estate agents and lenders can tell you about these expenses and help you estimate how much money you will need. You can also figure it out yourself using a budgeting tool. A budgeting tool helps you list expenses and calculate totals. The instructions below are for a simple table that allows you to list all the costs involved in the purchase and ownership of your future home and calculate the totals.

The first of part of your tool is titled *One-time expenses*. You could divide these expenses into two sections: *Before moving in* and *Shortly after moving in*.

The largest item in your *Before moving in* section will probably be your down payment. Next, list all of the expenses that are part of closing costs. These costs include legal fees you will pay to your lawyer, land transfer taxes, real estate fees (if you are buying a resale home), or deposits to a builder (if you’re buying a new home). Before you make a final decision to purchase, you may want to hire a home inspector to check the home thoroughly for any problems. This expense will also be part of your closing costs. When applying for a mortgage, you may need to pay appraisal fees or default insurance premiums. These expenses are also part of your one-time expense list. Finally, an important expense to include is the cost of moving.

The second section of expenses, titled *Shortly after moving in*, will include expenses you must pay in the first days after moving in. These may be charges for hook-ups for hydro, cable, internet or phone. They may include the cost of basic furniture and equipment, appliances, and window coverings. You may feel that there will be other costs you may not be able to predict, so you may want to add an amount for *Other* expenses.

After you complete the first part of your tool, you will need to take some time and complete the amount column with the estimated expenses. If you are unsure about how much a certain expense will likely cost, ask friends, family or a mortgage specialist about costs in your area. You can total the one-time expenses and subtract the amount you have already saved. Then, divide that result by the number of months you have to save the remaining money. For example, if you're buying a home in eight months, divide the result by eight to figure out approximately how much you need to save each month to cover these expenses. This is your monthly savings target - you will need to include this amount in your monthly budget until you buy your home.

The second part of our tool is titled *Ongoing expenses*. Divide these expenses into two sections: *Regular payments* and *Occasional expenses*. Your regular payments will probably include mortgage payments, home and property insurance, property taxes, and utilities (hydro, water, gas, telephone, cable or satellite, internet). If you are buying a condominium, also include condominium fees. Another item that you may want to add is repairs and maintenance, for example roof repairs, plumbing or painting. It is a good idea to budget one to three percent of the value of the home annually, and divide that number by 12. And don't forget to add *Other items* to the list.

The next section, *Occasional expenses*, can include landscaping services, additional furniture and others. You will need to divide these costs by 12 to get a monthly number. Once you do that, total the ongoing expenses and include this total in your monthly budget to help you plan ahead.

Using a simple budgeting tool like the one described here can help you prepare well for your future purchase and ownership of a home.

D. Mark these statements T (True) or F (False).

1. This budgeting tool is meant to be used after you purchase a home so that you can plan for and afford the ongoing expenses. _____
2. Real estate agents and lenders can help you estimate how much money you will need to pay for the expenses. _____
3. Legal fees, land transfer taxes, deposits and real estate fees are examples of closing costs. _____
4. You need to know the exact amount for each expense listed in the tool. _____
5. To find out your monthly savings target, add up the one-time expenses, subtract the total from the amount you have saved, and divide the remaining amount by twelve. _____
6. Divide the ongoing expenses into two sections, *Regular payments* and *Emergency payments*. _____
7. Condominium fees are included under *Occasional payments*. _____
8. If you calculate 1-3% of your home's value and then divide by 12, you will know how much you need to save each month to make sure you can pay for regular home maintenance and repairs. _____

E. Using the information in part C, complete the budgeting tool below. Write the titles for each section as well as the names of the expenses included under each title.

TOOL	
_____	_____
Before moving in:	
Shortly after moving in:	
Regular expenses:	
Incidental (occasional) expenses:	

F. Discuss how the prices of these types of homes vary. Choose the type of home you would like to purchase and explain why.

- detached house
- semi-detached house
- bungalow
- condo
- townhouse
- cottage

G. ⓘ Using the Multiple Listing Service (MLS) website, conduct property searches. Find the following:

1. a property type of your choice in your neighbourhood
2. a similar property in another town/city in your province
3. a similar property in another province

To conduct your search, follow these steps:

- Choose the location of the home you want to search (city/town or neighbourhood).
- Determine the type of property you want (residential or condo).
- Determine the price range and features of the home you want to search for.
- Choose the number of bedrooms and bathrooms.
- Refine your search to determine building type, style etc.
- Choose a property and take note of details.
- Present your findings to the class.

Objective(s) and CLB level

The objective of this series of activities is to familiarize learners with the terminology, concepts, and strategies related to selecting a mortgage, and the relationships between different mortgage variables. The activities provide opportunities to use online and print tools and to practise speaking in discussions on various payment scenarios. The activities are generally appropriate for learners at CLB 4 and 5.

Targeted financial literacy outcomes

The activities in this section and the activity ideas in the teaching notes will help learners achieve the following financial literacy outcomes:

- Understand how financing a purchase of a home works, including the steps and elements involved (e.g., affordability criteria, mortgages, and government programs)
- Understand types of mortgages and their features
- Compare mortgage variables, such as down payment, amortization period, term and interest rate, in order to choose the most suitable mortgage
- Access and use online mortgage calculators and other tools to compare mortgage options

Corresponding CLB competencies

- 🗣️ CLB 6: Describe and compare people, places, etc.; describe a simple process.
- 🗣️ CLB 5: Agree, disagree and give opinions in small group discussions or meetings.
- 📖 CLB 5: Access and locate simple information from online reference sources.
- 📖 CLB 5: get information from simple (CLB 4) and moderately complex (CLB 5) formatted texts.

Procedures

A. This is a warm-up activity that introduces learners to the process of financing a home. Ask learners to discuss and present what each of the steps would involve – there is no correct way of ordering the steps. Discuss the differences and what can determine the process.

B. This text provides a brief discussion of the steps in Part A. Ask learners to make a list of things a home owner could do to complete these steps, e.g., research homes and home prices – meet with a real estate agent, research online, talk to friends, etc.

C. Answers:

1. C 2. E 3. I 4. F 5. D 6. A 7. H 8. B 9. G

D. Answers:

1. down payment 2. interest rate 3. mortgage terms 4. principal 5. amortization period
6. interest 7. mortgage payments

E and F. The purpose of this activity is to enhance the understanding of the relationships between different mortgage variables. It precedes a series of activities offering practice using mortgage calculators. Have learners work in groups and make a list of advantages and disadvantages for each mortgage option. Then, learners can discuss which options they would choose and why.

Answers:

1. F 2. T 3. F 4. F 5. T

Buying a Home

G and H. In these two activities learners practise using online mortgage calculators. You can refer learners to the Canada Mortgage and Housing Corporation website and the calculator available there. Learners can also find other calculators offered on websites of many Canadian financial institutions.

I. In this information gap learners have an opportunity to practice saying large numbers in the context of mortgages. Review question formation and elicit an example. Learners can then make statements about relationships between different mortgages variables.

H and I. Learners will demonstrate their understanding of the new concepts by completing these sentences. Discuss the relationships between various sets of mortgage variables before the writing task. Learners can use online mortgage calculators to support their statements with factual numerical data.

J. This is a small group discussion activity; learners can analyze each profile and then present and discuss their recommendations with the rest of the class.

K and L. These two activities provide opportunities for revision of learned vocabulary and information.

Answers:

1. T 2. T 3. F 4. F 5. F 6. F 7. T 8. F 9. F 10. F 11. F 12. F

Beyond the classroom: Learners can access information about types of mortgages in the financial institution of their choice. They can use mortgage calculators to calculate various options for a possible mortgage.

A. Read the steps included in the process of buying a home in Canada and put them in order. Compare your order with a partner. Discuss what each step could involve and what other steps you could add to the list.

- ___ Repaying the mortgage
- ___ Choosing a lender and applying for a mortgage
- ___ Choosing and working with a real estate agent
- ___ Learning about the local housing market
- ___ Saving enough money for a down payment and other costs associated with buying a home

B. Read the text about the home-buying process. Discuss different ways in which each step could be completed.

For first-time home buyers, the process of buying a home in Canada can be confusing. A real estate agent will probably tell you to start by looking at homes for sale, so you can get an idea of prices, areas and different types of homes. Lenders may advise you to first talk to a mortgage expert, so you can get an idea of the mortgage options you qualify for. Other people will tell you to wait until you have saved enough money for a down payment and other costs before you talk to a real estate agent or visit your bank.

Who is right? The answer is that the order of the steps may not be the same for every buyer, but the process of buying a home usually involves each of these things:

- getting enough money, usually from your savings, for a down payment, deposit and closing costs. If your down payment is 20% or more of the home price, your mortgage will be smaller and you won't need to pay extra for mortgage insurance.
- comparing lenders, such as different banks and mortgage brokers, and comparing different mortgage options
- applying for a mortgage and getting approved for a mortgage. A lender will look at your finances and calculate the amount of mortgage you can afford. You will need to provide documents and information to the lender, including:
 - a letter from your employer with details about your job and salary
 - all your sources of income
 - information and details on all bank accounts, loans and other debts
 - proof of financial assets
 - the amount of your down payment, deposit and money to cover the closing costs.
- researching homes and home prices in your area

C. Match the mortgage terms and the definitions. Then, complete the sentences with the correct words or phrases.

- | | |
|------------------------|--|
| 1. down payment | a. the fee charged for borrowing money |
| 2. mortgage term | b. the percentage charged on the amount borrowed |
| 3. payment frequency | c. a cash payment from your own savings to buy a home, usually 20% of the purchase price of the home |
| 4. mortgage | d. the amount borrowed |
| 5. principal | e. the length of time the mortgage agreement is for |
| 6. interest | f. a loan from a financial institution to buy a real estate property |
| 7. amortization period | g. a set amount paid regularly towards repayment of the mortgage |
| 8. interest rate | h. the length of time it takes to pay back the mortgage loan in full |
| 9. mortgage payment | i. how often mortgage payments are made; can be weekly, bi-weekly, monthly, etc. |

D. Complete the sentences with the correct mortgage terms.

- When Peter bought his house, he made a 20% _____ from his savings. Peter's mortgage is for 80% of the value of his home.
- Paula has a mortgage with a 3.5 percent _____.
- During the life of the mortgage, the borrower and the lender usually have several mortgage agreements for shorter periods of time, called _____.
- Paolo and Anna haven't bought a house yet. They are saving for a larger down payment so that their _____ will be smaller.
- If you choose a 25-year _____, the mortgage payments will be lower, but the interest cost will be higher.
- Maria and Jan have decided to make extra payments to reduce the total _____ cost.
- You can pay off your mortgage faster if you choose a biweekly schedule. *Biweekly* means every two weeks. This means you will make 26 _____ in one year.

E. Read the text about mortgage options and decide if the statements below are true or false. Explain your answers.

Mortgage Options

Your lender or mortgage broker will offer you several choices to help find you the mortgage that is best for you. Here are some of the most common options.

Amortization Period

Mortgages typically come in 25-year amortization periods but they can be as short as 15 years. Usually, the longer the amortization, the smaller the monthly payments. However, the longer the amortization, the higher the interest costs.

Payment Schedule

You have the option of repaying your mortgage every month, twice a month, every two weeks or every week. You can also choose to accelerate your payments. This usually means one extra monthly payment per year.

Interest Rate Type

You will have to choose between “fixed” and “variable”. A *fixed rate* will not change for the term of the mortgage. It usually has a slightly higher interest rate but provides borrowers with peace of mind, knowing that interest costs will remain the same.

With a *variable rate*, the interest rate you pay will change with the rate of the market. When interest rates change, the payment amount usually stays the same but the amount that is applied toward interest and principal changes. If interest rates go down, more of the mortgage payment is applied to the principal balance owing. This means you can pay off your mortgage faster. If interest rates go up, more of the mortgage payment is applied to the interest and less is applied towards repaying the principal. Borrowers have to be prepared to accept some risk and uncertainty.

Mortgage Term

The term of a mortgage is the length of time for which options are chosen and agreed upon, such as the interest rate. It can be as little as six months or as long as five years or more. When the term is up, you have the ability to renegotiate your mortgage at the interest rate of that time and choose the same or different options.

“Open” or “Closed” Mortgage

An *open mortgage* allows you to pay off your mortgage in part or in full at any time without any penalties. You may also choose, at any time, to renegotiate the mortgage. This option has a higher interest rate.

A *closed mortgage* usually has a lower interest rate but doesn't have the flexibility of an open mortgage. Most people choose a closed mortgage.

1. You can have only one interest rate over the life of the mortgage. _____
2. You can make extra mortgage payments if you have an accelerated payment schedule. _____
3. If you can accept some risk, you should take a fixed interest rate on your mortgage. _____
4. You can renegotiate your interest rate only when you have an “open mortgage”. _____
5. It is a good idea to lower your interest cost by paying off your mortgage faster. _____

F. Complete the table below with information from the text. For each of the options, list the advantages and disadvantages.

	ADVANTAGES	DISADVANTAGES
Longer Amortization	<i>lower mortgage payments</i>	<i>higher interest costs</i>
Shorter Amortization		
Fixed Rate		
Variable Rate		
Open		
Closed		
Longer term		
Shorter term		

G. You can compare the cost of different mortgage options by using an online mortgage calculator. Use the calculator to complete the table and answer the questions.

Go to: www.cmhc-schl.gc.ca > Buying a Home > Easy-to-use home buying tools > Mortgage Payment Calculator

MORTGAGE CALCULATOR	
House Price	\$275, 000
Down Payment	\$35, 000
Mortgage Amount	
Interest Rate	4%
Amortization	25 years
Payment Frequency	Monthly
Your Payment	
Total Interest Cost	

1. How long will the home buyer pay the mortgage?
2. How often are the mortgage payments made?
3. How much does the home buyer pay each month to repay the mortgage?
4. How much is the principal of the mortgage the buyer got?
5. How much in total will the home buyer pay the bank?

H. Use an online calculator to complete the tables below. Write sentences to express how mortgage variables affect each other.

Example: *If you make the payments more often, you will reduce the total interest cost.*

#1	
Mortgage Amount	\$180,000.00
Interest Rate	4.5 %
Amortization	20 years
Payment Frequency	weekly
Your Payment	
Total Interest Cost	

#2	
Mortgage Amount	\$180,000.00
Interest Rate	4.5 %
Amortization	20 years
Payment Frequency	monthly
Your Payment	
Total Interest Cost	

#3	
Mortgage Amount	\$180,000.00
Interest Rate	3.5 %
Amortization	20 years
Payment Frequency	Bi-weekly
Your Payment	
Total Interest Cost	

#4	
Mortgage Amount	\$180,000.00
Interest Rate	5 %
Amortization	20 years
Payment Frequency	Bi-weekly
Your Payment	
Total Interest Cost	

#5	
Mortgage Amount	\$180,000.00
Interest Rate	4.5 %
Amortization	15 years
Payment Frequency	Bi-weekly
Your Payment	
Total Interest Cost	

#6	
Mortgage Amount	\$180,000.00
Interest Rate	4.5 %
Amortization	30 years
Payment Frequency	Bi-weekly
Your Payment	
Total Interest Cost	

Conclusions:

I. Information Gap: Partner A

The table presents results of various mortgage payment options for a mortgage of \$235,000 amortized over 25 years at 5%. Work in pairs and ask and answer questions to find the missing information.

payment frequency	payment amount	term interest cost	amortization interest cost	amortization interest savings
Monthly	\$1,366.78	_____	\$175,029.10	\$0.00
Semi-monthly	_____	\$54,903.27	_____	\$834.49
Bi-weekly	\$630.82	_____	\$172,779.61	\$2,252.41
Weekly	\$315.41	\$54,638.43	\$172,401.29	_____



I. Information Gap: Partner B

The table presents results of various mortgage payment options for a mortgage of \$235,000 amortized over 25 years at 5%. Work in pairs and ask and answer questions to find the missing information.

payment frequency	payment amount	term interest cost	amortization interest cost	amortization interest savings
Monthly	\$1,366.78	\$54,998.88	_____	\$0.00
Semi-monthly	\$683.39	\$54,903.27	\$174,197.53	\$834.49
Bi-weekly	_____	\$54,682.41	\$172,779.61	_____
Weekly	\$315.41	_____	_____	\$2,630.72

J. Read the following profiles about people who are ready to apply for a mortgage. Work in small groups to list the factors to consider in the decision-making process and choose the type of mortgage that would be most appropriate for each.

PROFILE 1

- a couple with two young children and another on the way
- high monthly expenses for childcare
- want to save money for their children's education
- think parents will be able to help them out financially

Factors to consider:

Suggested types of mortgage:

PROFILE 2

- a recent newcomer couple
- have new, well-paid jobs
- have cash savings because they sold their home before coming to Canada
- no relatives to rely on here
- saving for an RRSP

Factors to consider:

Suggested types of mortgage:

K. How much do you know about mortgages? Try the quiz with a partner. Mark T for true and F for false statements.

How much do you know about mortgages? Test your knowledge ...

1. A mortgage is a loan for a real estate property from a financial institution. _____
2. Before you can get a mortgage, a lender will check your net income, your assets and your liabilities. _____
3. You need a minimum down payment of 20% of the price of a home and enough monthly income to buy a home in Canada. _____
4. If your down payment is 20% or more, your mortgage needs to be insured by law. _____
5. You can use savings from your RESP and RRSP towards the purchase of your first home. _____
6. A term means the number of years required to repay a mortgage in full. _____
7. Interest rates on a mortgage can change with each term. _____
8. It is possible to negotiate interest rates on your mortgage with the lender. _____
9. Most homeowners require only one term to pay off their mortgage. _____
10. If a mortgage is amortized over 20 years and each mortgage term is five years, you will have to renegotiate your contract five times. _____
11. Your monthly mortgage payments pay back only the principal. _____
12. You will pay less interest in total if you make mortgage payments once a month rather than bi-weekly. _____

L. VOCABULARY GAME



down payment	mortgage term	deposit	principal
amortization period	interest	mortgage	interest rate
mortgage payment	fixed interest rate	variable interest rate	payment schedule
open mortgage	closed mortgage	Home Buyers' Plan	lender

Audio Guide

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BANKING AND PERSONAL FINANCE

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Track 03 Bank Statement, Part E

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EDUCATION

Track 18 Job Training: Getting Financial Help, Part B

Track 19 College is Expensive, Part C

Track 20 A Student Budget, Part E

Track 21 Student Loans, Part E

EMPLOYMENT

Track 22 Getting Paid, Part F

Track 23 Getting Paid, Part H

Track 24 Starting Your Own Business, Parts F and G

