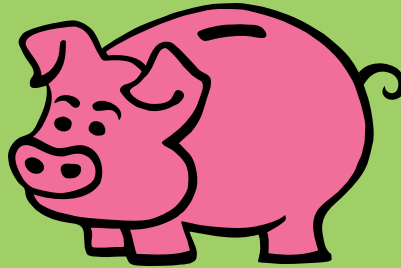


MONEY 101



BUDGETING BASICS FOR FURTHER EDUCATION

alis.alberta.ca

CAREER PLANNING • EDUCATION • JOBS

»» Make the most of your future

Alberta  Government

Educators and Career Practitioners

Money 101 is written for youth to help them finance their post-secondary education. Topics include

- why they should invest in further education
- how to set personal goals
- how to figure out what it will cost
- budgeting, banking and stretching their dollars
- sources of financial assistance and where to apply

For more information on planning for post-secondary education, visit the ALIS website at alis.alberta.ca/post-secondary.

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For copyright information, contact:

Alberta Human Services

Workplace and Career Planning

Telephone 780-422-1794 Fax 780-422-5319

Email info@alis.gov.ab.ca

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The province of Alberta is working in partnership with the Government of Canada to provide employment support programs and services.

Information in this publication was accurate, to the best of our knowledge, at the time of printing. However, legislation, labour market information, websites and programs are subject to change, and we encourage you to confirm with additional sources of information when making career, education, employment and business decisions.

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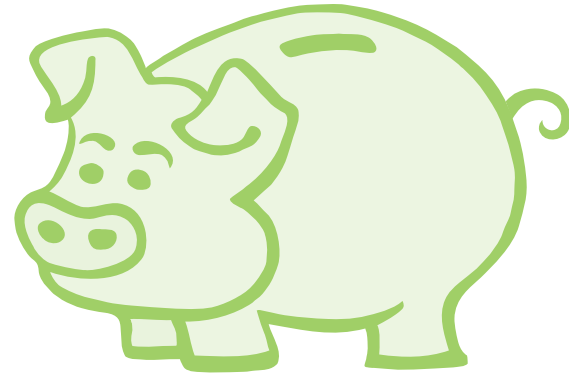
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Welcome to Money 101!

This is a short course about the realities of financing your further education. It's packed with info about debt, credit and managing your money to make it stretch.

Money 101 is for you

- if you're thinking about enrolling in a university, college, technical school, private vocational school or apprenticeship program
- if you're wondering how much further education will cost and how you're going to pay for it

That degree, diploma or certificate you're going for will stretch you academically AND possibly financially.

Find out how to face your future with your eyes on the stars and your money in the bank!

FIRST THINGS FIRST

Why go back to school?
What do you want to be?
If you already know the answers to these questions, skip ahead to where we begin to discuss money issues on page 7.



Why Go Back to School?

Good question. Considering the time and money your further education's going to take, it's a good idea to be certain on the reasons why you're doing it.

If you're like most young people, you've probably already come up with either or both of these reasons:

- for personal growth and self-fulfillment
- to earn a better living

Let's take a closer look.

Personal Growth

- Self-discovery is one of life's great adventures. A further education is a great way to continue this journey.
- The surest route to self-fulfillment is to develop to your fullest potential through learning experiences.
- The more you learn about our ever-changing global society, the more at home you'll feel in it. Being flexible and adaptable, you'll be better able to cope with changes in your workplace and beyond.
- You get to meet and exchange ideas with people who share your interests.
- Furthering your education can be a great way to grow and nurture your communication, time management, people and leadership skills. These skills will serve you well in all aspects of your life.

Making a Living

When it comes to making a living, a post-secondary education can give you more—more skills, more employment opportunities and eventually more money.

AND

We know that HAVING a post-secondary education beats NOT HAVING a post-secondary education.

- In recent years, both Canada's and Alberta's unemployment rates for those who did not graduate from high school were near double the national and provincial unemployment rates.
- In the last 10 years, the percentage of employed Canadians and Albertans with a college or university education has increased.
- Typically, Alberta's average employment earnings rise with the level of education.
- In the last 10 years, employment of Canadians with a college or university education has increased significantly.
- During the same period of time, the percentage of Canadians with only a high school education who have found employment has decreased.

To find the most recent statistics on outcomes of education, go to the Statistics Canada website (statcan.gc.ca). Click on “Education, training and learning.”

Today, an education beyond high school is a minimum requirement for advancement in the job market. And tomorrow?

- According to the *Alberta Regional Occupational Demand Outlook*, most new jobs created in the next 10 years will require post-secondary training.
- In order to keep up with new technology and an expanding knowledge base, workers of tomorrow will need to be lifelong learners. A post-secondary diploma or degree lets employers know that you are flexible and that you value learning.

A post-secondary environment is a great place to acquire the skills, attitudes and outlook employers are looking for:

- communication skills
- ability to reason, analyze and solve problems
- adaptability and self-management
- willingness to keep learning

Once you're on track with *why* you're doing this, the next step is to look at *what* you're planning to do. It's always possible (and sometimes a good idea) to change your mind about the program you're going to take. However, a year of fine arts followed by a year of chemistry followed by a year of political science can be a pretty expensive route to a career goal, no matter how interesting it turns out to be.

**An investment in your
education is an investment
in you and your future!**

What Do You Want to Be?

“So, what do you want to be?”

You've had this question coming at you in various ways for many years now. You may be asking yourself this very question, this very minute. Trouble is, it's not the right question. Here's why.

When it comes to being, you already *are*. You're a fully fledged human being with likes and dislikes, dreams, fears and so on. The question about your future really *should* be...

“*What are you going to do with who you are?*”

Answering this question begins with the obvious...

Who Are You, Really?

You could spend a lifetime answering this question. But right now what matters is this: Does the post-secondary program you're planning to take reflect who you are? Your likes and dislikes? Your dreams? What you believe in and value?

3

Think about the program you're about to enter. Perhaps, ask yourself these questions. You could use alis.alberta.ca/occinfo to find information on occupations and educational programs. You might want to write down your answers in a notebook for reference. The questions are similar to those found on some institutions' career investigation reports.

Occupation

- What occupation are you reaching for?

- How long have you been interested in this occupation?

- Why did you choose this occupation?

- Which of your interests and strengths does this occupation reflect?

- What are this occupation's typical duties?

- What would you like most about these duties? What would you like least?

- Does the salary range meet your expectations?

- What are the employment opportunities after training?

- What have you learned from speaking with people that know about, or are employed in, this occupation? (It is valuable to speak to someone knowledgeable about the occupation—someone working in the occupation, your guidance counsellor, or an employer)

- Does this occupation require working on weekends, overtime or shift work?

- What are the working conditions? (Is it an office or would you work outside? Would you be driving a good part of the day? Or, standing?)

Program

- What are the educational requirements to enter this program?

- Are there prerequisites and is there a need for upgrading?

- What institutions offer this program?

- Which institution would you prefer?

- How long is the program?

- Do you feel ready to attend this program?

- How have you prepared for schooling?

- If you can't answer these questions, it would be a good idea to spend some time with a career practitioner/guidance counsellor to find out more about yourself and the program you're planning to commit a number of years of study to.

Check out these resources that can help you:

- CAREERinsite (alis.alberta.ca/careerinsite): Use the free online career-planning guide to explore and compare career options based on your values, skills and interests. You'll develop an action plan for your future.
- EDinfo (alis.alberta.ca/edinfo): Search the database of post-secondary education and training programs in Western Canada.
- Publications (alis.alberta.ca/publications): Look for *Education and Training Planner*; *This Is Your Life: A Career and Education Planning Guide*; and *Time to Choose... a Post-Secondary Education Program*.

For information, contact the Alberta Career Information Hotline (see page 50 for contact information).

Setting Goals

- When you name your goal, *you have to mean it*. At this point in time, this goal is, to the best of your knowledge, what you want.
- Goals serve you. Not the other way around. If your goal is no longer what you want, change it.

Scoring Goals

- You create a goal or goals based on what matters to you.
- You do your research and you do the work.
- You find out what stands between you and your goal. You find solutions.
- You enroll in the program that will start you towards your goal.

Grad Files

When I was trying to decide what to “do” with my life, I spent some time daydreaming about a perfect life. I kept ending up on the prairie, which I love, and working with animals. I checked out a few programs and finally enrolled in animal health technology. When I graduated, I got a job at the vet clinic where I had worked during the summer. In a year or two, I may start looking for a job on a farm. Or I may go back to school and study to be a Veterinarian. Either way, my dream’s still alive.

— Laura, Peace River

WHAT WILL FURTHER EDUCATION COST?

Typical Costs for an 8-Month College or University Program

Costs	Living Independently	Living with Parents
Tuition	\$ 5,730	\$ 5,730
Books and mandatory fees	\$ 3,120	\$ 3,120
Basic living expenses	\$ 8,790	\$ 4,200

Adapted from Alberta Advanced Education, Student Aid Alberta.

The Good News Is...

You only pay a portion of your program costs through tuition and non-instructional fees. The Government of Alberta covers the majority in base operating grants to post-secondary institutions for program delivery, and the institutions cover the remainder. (Wow!)

Getting the Picture

The most effective way to get a grip on how much money you will need is to come up with your own personal plan for financing your educational future. And good planning begins with getting as clear a picture as you can of exactly what you're facing.

These estimates are a reasonable guess at what a “typical” student might spend in a “typical” school year. You might want to consider the following points:

- How much are your tuition, fees and books?
- If you're living with your parents, will your family cover *all* your living costs such as food, housing and miscellaneous costs?
- If you're living independently or going away to school, do you want to come home to visit more than once during the school year? And how much will it cost you?
- If you're living independently, will you live in residence or an apartment? With or without a roommate?

Here are some sites that have tools to help you explore education costs and sources of funding:

- Find scholarships, bursaries and awards for post-secondary education and training at studentaid.alberta.ca/scholarships. Be sure to check out the Scholarship Connections database. It lists more than 500 scholarships and awards.
- Visit the Government of Canada's CanLearn interactive website at canlearn.ca. It gives lots of information and budget tools, including a Student Financial Assistance Estimator.
- Visit Student Aid Alberta at studentaid.alberta.ca.

Crunch Some Numbers

The only way you can come up with an estimate of what this education is going to cost YOU for a school year is to crunch some numbers of your own.

- Use the following table or create one of your own.
- Don't worry about being absolutely accurate. Ballparking the numbers will get you going in the right direction.
- But be realistic! Don't under- or overestimate too much. Try to stay closer to actual costs.
- You might not want to guess about some of the big ticket items. Average rent or the cost of a flight home for the holidays, for example.

8



Estimate of Expenses

Expenses

Cost Estimates

Tuition

Books and mandatory fees

Housing

Food

Clothing

Miscellaneous (e.g., personal items, toiletries, health costs)

Recreation and entertainment

Local transportation

TOTAL

So now you know what you're up against.

Question is, what are you going to do about it?

WAYS TO PAY FOR IT

Unless you luck out on a lottery, you'll probably have to come up with more than one way to pay for your education. This could mean putting together a combination of the following:

- your savings—Canada Savings Bonds or other
- your job(s)—summer, part-time
- your parents—Registered Education Savings Plan, gifts
- bursaries, scholarships
- apprenticeship and/or co-operative education programs
- student aid
- loans from bank or student lines of credit

You can sample each one of them in this section. You can also visit alis.alberta.ca/payingforschool

1. Work Smart: Your Job(s) and Your Education

Working your way through school may be nothing new to you. You may have had a part-time job. On the other hand, you may be in the market for your first summer job. Either way, it pays to work smart.

Snooze and Lose

When it comes to bankrolling your education, set your alarm early. The best time to start talking to your parents, learning about loans and scholarships and socking away your own loonies is many years (or months) before you need that cheque for your tuition. RESPs started at birth would be ideal. However, it is never too late to start saving.

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After my first year, I had two offers for summer jobs. One was working construction—pretty boring but incredible pay and tons of overtime. The other was working as a counsellor at a camp for kids with disabilities. Not much more than minimum wage but great on my resumé since I was taking rehab medicine. Which one did I choose? Yeah, well, which one would you choose?
— Todd, *Medicine Hat*

Jobs: Summer Better Than Others

How do you make the most (in dollars and experience!) in four short months?

- If the job you take offers more money than goal-related experiences, close the gap by volunteering in your field of interest.
- Overtime (at time and a half or more) really adds up! Sign up for as much as you can (safely) stand.
- If it rains, will your income go down the drain, too? Be aware of the downside of weather-dependent work—golf course work, lawnmowing, housepainting, landscaping and construction, for example. Will the size of your wage and your overtime hours make up for what you'll lose on those inevitable rainy days?
- If you're working away from home (at a resort camp or on a road crew, for example), how much of your housing, food and transportation costs will be covered?
- Do your best once you land your job. Work towards that glowing reference at the end of the summer. It's an excellent investment towards next summer's job!
- You're working hard and getting a regular cheque. You may feel like you've got money to burn. Sure, treat yourself once in a while. You deserve it! Just don't lose sight of the Big Picture. Those bucks have gotta find their way into your savings account. They're the backbone of your dream—remember?



Smart Part-Time

During the school year, flexibility makes or breaks a part-time job. Yes, you need the money AND your number one priority is to study, study, study! How do you find the balance?

- Talk to a faculty advisor about how intense your study load will be. Don't sign up for more hours of work than you can reasonably handle.
- Look for part-time work on or near campus (this will reduce your travel time). Restaurants and pubs are obvious choices and you can earn great tip money. You might also find work in campus services—e.g., at arts or athletic facilities or as a computer lab monitor or groundskeeper—which may pay somewhat higher wages and allow studying during slow times.
- Save time and money by taking a job that lets you dress like, well, a student! You won't have to rush home after class to change for work and you won't be spending money on work clothes.
- Make sure that your employer will be flexible about your class and exam schedules. Plan weeks ahead and book exam prep time off.
- Can you study while you work? This probably isn't possible in a fast-food outlet, but in a boutique on a slow night...? Check it out with your employer.
- How about employing yourself? Tutoring, house-sitting, child-caring, dog-grooming—turn your skills into a flexible, profitable part-time enterprise. There is lots of information around that can show you how to get started.

Here is a site that can help you land that smart-time job:

Alberta Work Search Online (alis.alberta.ca/worksearch): Search job banks, find out about potential employers and get tips on preparing resumés and cover letters and preparing for an interview.

Student wi\$e

I'm in third year and I'm working as a residence advisor. I get a big reduction on the cost of my residence room and food, plus a little money every month. It's fairly time-consuming. I have to "be there" for the students on my floor—you know, a little hand-holding, a little advice, a shoulder to cry on—and I have to referee a few disagreements. But it's interesting and pretty good experience, I'd say.

—Melanie, Bonnyville

My first summer, I worked in a really hip clothing store. I loved it! I went crazy using the staff discount to buy stuff. I got everything at 20 per cent off and I just couldn't resist. By the end of the summer, I was more than \$1,000 short of what I'd wanted to earn and all of it was hanging in my closet. I looked great going back for second year, but I was seriously worried about whether or not I could afford to eat after Christmas. I was lucky—my parents sprung for some extra cash. They made me pay it back, though!

—Chris, Camrose

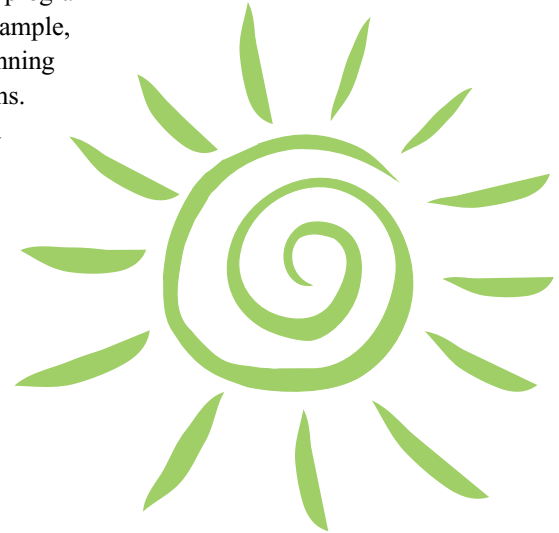
This Will Stand Out on Your Resumé

Help build stronger communities. The Serving Communities Intern Program is a unique way to get on-the-job experience in the not-for-profit and volunteer sectors AND get a \$1,000 bursary from the Government of Alberta.

As a SCiP intern, you would be involved in the creation, implementation or management of an initiative or program for the not-for-profit and volunteer sectors. For example, recreation or business students could work on planning and development for children's recreation programs. Students in either education or culinary arts could work with immigrant-serving organizations to develop learning opportunities for new Albertans. The possibilities are endless.

And let's not forget that \$1,000 bursary awarded at the completion of the SCiP internship!

Visit joinscip.ca for details.



2. Talk to Mom and Dad

An important source of money for your education could be your parents. The challenge may be to tie them down to some kind of specific commitment. Even though they've likely been looking ahead to the cap-and-gown-moment for years (i.e., your graduation), they may be a little fuzzy on the details (i.e., how much it's going to cost). If you know exactly how much your folks will contribute to your education, pat yourself—and them—on the back and skip to the next section.

If you're from a family where straight talk about money is taboo, you may be tempted to leave the issue of financing your education to assumptions, telepathy and the last minute. Big oops. You've got to ask them the tough questions early so you'll know what you're dealing with. Junior high is a good time to start.

You'll help your case (and impress your folks) if you approach the inevitable let's-get-this-down-on-paper discussion with a clear-headed strategy, like this one:

- Show them your estimate of expenses.
- Show them what you plan to contribute—real or estimated savings from your job.
- Talk about what they're able to contribute.
- Get a commitment from them.

If your parents simply hand you money, no strings attached—great! Thank them profusely and get on with your planning. But make sure you both understand whether this is a gift or a loan, and, if it's a loan, how and when you'll repay it.



Student wi\$e

My folks made it clear to me that they expected me to pay most of my way through university and they expected me to get top marks. They covered my first year tuition but that was it. I struggled through first year engineering, working 15 hours a week slinging beer in an on-campus pub and my marks dropped because of it. I told my father I could either improve my marks or keep working to cover that extra couple of thousand dollars each term. He saw my point and he's lending me the money.

—Elise, Barrhead

3. Money to Try for...

Scholarships and bursaries can be a great way to fund your education and the best news is you don't usually have to pay them back.

Scholarships

Many scholarships are awarded for academic excellence—in other words, for how well you do in school. Some scholarships also consider extracurricular activities, athletic ability and other achievements.

Bursaries

Marks are not the prime determining factor for bursaries. Bursaries are awarded by universities, colleges and other sources to students who demonstrate a financial need, such as being a single parent or a student with a permanent disability.

Student Aid Alberta

Student funding available from the Alberta and Canada governments includes loans and grants to eligible students. Visit studentaid.alberta.ca to learn more.

Tracking 'Em Down

- Start early! Begin researching available scholarships when you start high school. It's never too soon.
- Keep up to date. Eligibility criteria for scholarships can change over time (Alexander Rutherford Scholarship is an example). A scholarship that seemed out of reach may now be a possibility.

- Search the Internet or studentawards.com. Look at sites through studentaid.alberta.ca. Be sure to search the Scholarship Connections database for more than 500 scholarships and awards.
- Begin your search at your high school guidance office. Talk to a counsellor, and look in the course calendars for the institutions you're interested in attending.
- Contact the financial aid or scholarships and awards office at the schools you plan to apply to. Visiting them is also a good idea.
- Check out entrance scholarships and other awards at the institutions of your choice.
- Think about the scholarship/bursary opportunities that might be available to you through your own membership in clubs or athletic teams. Or your parents' work, unions, professional organizations or service clubs? Or through ethnic affiliations, artistic pursuits or corporate contacts? Or...?
- If you're already attending a post-secondary institution, check its website or with your faculty/department to find out what kinds of awards are available.
- Talk to a career and employment consultant at the nearest Alberta Works Centre, or call the Alberta Career Information Hotline or Alberta Scholarship Programs (found on ALIS).

4. Learn 'n' Earn

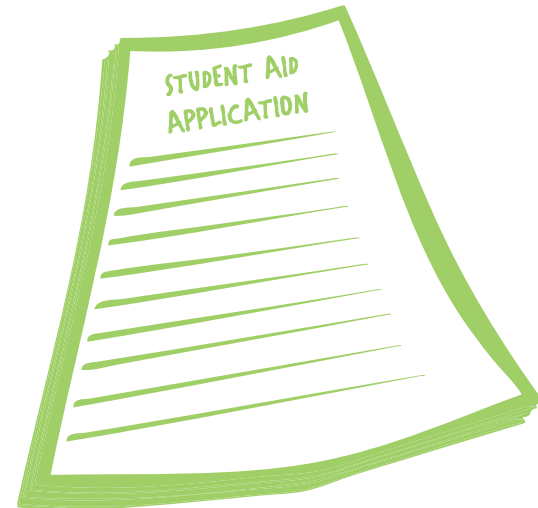
Apprenticeship programs or co-operative education programs offered at some post-secondary institutions can be a money-smart approach to your education. In these programs, you alternate studying with study-related jobs. You'll likely find it easier to finance your education in these types of programs because you're earning a paycheck at least part of the time. Plus, you're becoming work-ready while you're still in school, giving you a jump in the job market. Find out more from the Canadian Association for Co-operative Education website at cafce.ca. Go to the *Co-op Program Directory* for a listing of the post-secondary co-operative education programs in Canada. For more information about apprenticeship programs, visit the Alberta Apprenticeship and Industry Training website at tradesecrets.alberta.ca. You can also contact your local Alberta Works Centre or phone the Alberta Career Information Hotline (see page 50).

5. Invest in Your Future—Student Funding

Once you have applied for scholarships and reviewed your financial situation, you may find that you need more financial assistance. You may be eligible for government student aid (which offers student loans and grants) or a loan from a private lending institution.

Student Aid Alberta

- Student aid is available to eligible post-secondary students to help them cover the basic costs of learning and living. By completing one application to Student Aid Alberta, students will be considered for both loans and grants provided by the Alberta and Canada governments. Loans are interest-free and payment-free while you are studying, and help is available when it's time to repay. If you apply using the online application, you may get your results immediately. Visit studentaid.alberta.ca to learn more.

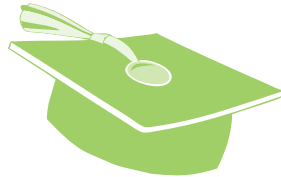


- It pays to find out as much as you can about how student loans work. Check out the resource Understanding Your Student Loan at studentaid.alberta.ca. It covers topics including how to get your student loan funds, your responsibilities if you receive a student loan, the student loan life cycle and more.
- When you receive a student loan from the government you are not required to pay interest while you are enrolled in full-time post-secondary studies. Any grants or bursaries you may receive do not have to be repaid.
- When you graduate or leave full-time studies, you have a six-month grace period before you have to start making payments on your student loans.

Your Alberta student loans will also remain interest free during the six-month grace period.

However, interest will begin to accumulate on the outstanding balance of your Canada student loans the month after you complete your studies.

If you have difficulty repaying your loan, you may be able to negotiate your repayment terms or access government repayment assistance programs.



Loans From Lending Institutions

Private lending institutions offer loans to students, usually through a student line of credit, and may call them “student loans.” They are quite different from government-sponsored student loans.

- The interest rate is not regulated.
- You start paying interest on the loan right away, whether or not you’re enrolled full-time. Depending on the terms of the loan, you may not be required to begin paying down the principal until up to 12 months after you graduate.
- You’ll probably need a co-signer (guarantor): someone who agrees to pay the loan if you can’t.
- You do not have access to repayment assistance programs offered by the government if you have trouble paying back your loan.
- You are not able to claim a tax credit on the interest portion of the amount you pay on your loan. This tax credit is available if you have government student loans.
- Student lines of credit may be an option for some students. Having a line of credit is part of a good financial plan, depending on student circumstances.

Points to Ponder

- Apply early. Apply online to Student Aid Alberta at **studentaid.alberta.ca**. Students may be eligible if they are enrolled in an approved post-secondary program, meet citizenship and Alberta residency requirements, and demonstrate financial need. Students are encouraged to invest in their education. A little planning on how you can contribute towards the cost of your education will save you in the long run. It's your loan. Stay informed, Stay in touch. You will be responsible for repaying your loan once you leave school.
- You'll need to have a Social Insurance Number and Alberta Student Number.
- Your own resources (savings, earnings, parental contribution) are taken into account to determine your eligibility for student funding.
- You're legally responsible for repaying your student loan just as you would be for any other type of loan. Student debt due to school may be a reality—like car payments.
- You must repay your student loan whether or not you complete your studies, whether or not you're satisfied with your education and whether or not you find employment.
- The less money you borrow and the faster you pay it off, the less money you pay in interest and the more you keep in your pocket!

Find out more about Student Aid Alberta

- Visit **studentaid.alberta.ca**.
- Call the Student Aid Alberta Service Centre toll-free at 1-855-606-2096.
- Contact the student aid office at your post-secondary institution.



Loan Lingo

Use this glossary to help you decipher finance terminology.

assets—valuable items you own that can be used to pay back loans

credit rating or history—an ongoing record of how much debt you borrow and how well you pay it back. Lenders will check your credit rating before agreeing to loan you money

default—failure to make payments on a student loan as described in the loan agreement

dischargeable debts—debts included in bankruptcy where a debtor has been given an absolute discharge releasing them from their obligation to repay the debt

term—number of months or years over which a loan is to be paid off

fixed rate of interest—an interest rate that remains the same throughout the repayment term of a student loan

guarantor or co-signer—a person who guarantees to pay a loan or credit card balance for a borrower in cases where the lender decides that the borrower's financial qualifications aren't adequate. A guarantor or co-signer is not required for government-sponsored student loans

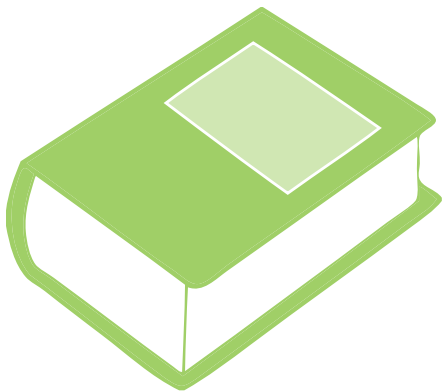
interest—money charged to a borrower by a lender for the privilege of borrowing money

principal—the amount of money borrowed (this does not include interest)

prime rate—the minimum interest rate charged by commercial banks on loans. Canada's five biggest financial institutions set their own prime rates

repayment terms—includes the date by which a loan is to be paid off, the monthly payment date, the interest rate and the monthly payment amount

variable interest rate—an interest rate that fluctuates as the prime rate changes throughout your repayment term

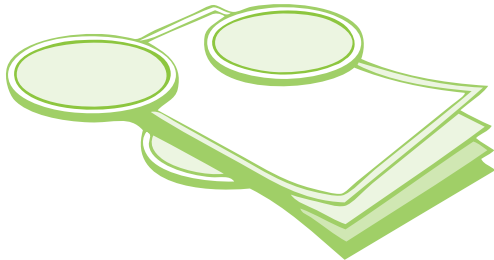


MONEY BASICS

Okay. It's early September. You've enrolled in the program of your choice. You've got a wad of cash stashed in a bank account somewhere—your money, your parents' money, student loan money.

What could possibly go wrong? Nothing—or *everything*. It's really up to you! The best thing about money management is that it puts you in the driver's seat. Who says you have to scramble in a desperate panic each month, hoping you can cover rent and wishing you hadn't splurged on that shiny new gizmo last week. Or wonder helplessly why those summer savings that stocked your bank in September flew south for the winter. It's all about choice. You can be the captain of your financial destiny. All it takes is a little effort and a plan.

This section of *Money 101* will get you started...



Paperwork

Cash in, Cash out

We've called this article "cash in, cash out" because a budget is actually just that: a picture of the flow (torrent, dribble) of money through your life. It's a snapshot of the cash coming in and the cash going out. It's a little information, some simple math and a whole lot of help in deciding what you can afford.

Call it a cash in, cash out chart. Call it a spending plan. Or, dare to call it a budget. It will

- let you know what you can do, financially.
- help you plan for what you want to do.
- help you get the most for your money.
- help you make your money last until the end of the school year.



Student wi\$e

I don't really enjoy the obsessive part of tracking my budget—you know, holding on to my receipts and bank machine slips and all that. But I do like knowing that I'm going to have enough money to get me through the school year. I cheat a little bit, I guess. I give myself a weekly allowance that I don't have to keep track of—\$50 that I can spend on movies, magazines, a meal out. Actually, I guess it's 'cause I know I can afford to do it, thanks to my budget, that I can spend that kind of money, no sweat.

— Yasmine, Calgary

Think of it this way. Whether or not you create a spending plan, money will still flow in and out of your life. Would you like to be able to see where it's leaking out and put a stop to it? Would you like to know when you could drink deeply from your cash pool without worrying about next month's rent?

Or would you rather let all of this take you completely by surprise?

The (Almost) Painless Miracle Money Management System!

It is almost painless. What it requires is a little organization and about an hour a month. What it gets you is a lot less stress and no more heart-thumping encounters with your bank balance.

Here are the steps:

1. Identify every source of income.
2. Determine your upfront, one-time expenses (e.g., tuition, books, damage deposit).
3. Determine your monthly income.
4. Estimate your monthly expenses (e.g., food, laundry, transportation).
5. Record, review, revise.



To keep this as painless as possible, let's walk through the steps. Pat is a first-year student who is living away from his parents' home. We'll follow Pat through the budgeting, spending and money management process.

1. Identify Every Source of Income

Pat begins by listing his resources for the school year using the following chart.

Most of the income he has in hand already. These figures he enters in both columns. He leaves blank any items on the chart that don't apply.

Step 1 Sources of Income

Income	Planned	Actual
Scholarship, bursary, grant	\$2,500	
Family financial support, RESPs, Canada Savings Bonds, etc.	\$6,850	\$6,800
Summer job	\$3,900	\$3,900
Student aid	\$3,700	\$3,700
Total	\$16,950	?

2. Determine Your Upfront, One-Time Expenses

Next, Pat tallies up those hefty first month costs: tuition, books, damage deposit. Pat is sharing an apartment with roommates so many of his one-time costs, such as a damage deposit, are shared. Pat's father will loan him his truck, so Pat's moving expenses will be nil. He and his roommates have scrounged second-hand furniture, blankets, sheets and towels from relatives.

Step 2 Upfront, One-Time Expenses

Expenses	Planned	Actual
Tuition	\$5,730	\$5,195
Books and mandatory fees	\$3,120	
Damage deposit (Pat's share)	\$200	\$200
Utilities hook-up (Pat's share)	\$50	
Moving expenses	0	
Furniture, linen, etc.	0	
Other	0	
Total	\$9,100	?

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3. Determine Your Monthly Income

Now Pat subtracts his upfront, one-time costs from his total income, since these expenses were paid before September 1st. Doing so gives him the amount of money that he has to live on for the school year. He divides this amount by 8 (the number of months per school year) to come up with his monthly income.

Step 3 Determine Your Monthly Income

Total Income	\$16,950
Less: Upfront one-time expenses	- \$9,100
Balance to live on	= \$7,850
Divided by 8 months	÷ 8
Monthly Income	\$981.25

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To supplement his monthly income, Pat has decided to find a part-time job.

4. Estimate Your Monthly Expenses

When Pat was coming up with his Guesstimate of Expenses in preparation for approaching his parents about helping him out, he chased down some information about the cost of living in the city where he's going to school. Using his guesstimate, he can make fairly accurate estimates about many of his expenses.

He also knows some of his “actual” costs—his rent, for example. Pat's chart also reflects the fact that his rent includes utilities, and he is still covered by his parents' medical and dental plans.

Step 4 Estimate Monthly Expenses

Expenses per month	Planned	Actual
Rent and utilities	\$430 (Pat's share)	
Food, clothing and personal care (Includes laundry/dry cleaning, telephone/internet, medical/dental, drugstore supplies, recreation and entertainment)	\$400	
Transportation	\$80	
Emergency fund	\$25	
Total	\$935	

Right now, Pat's in pretty fair financial shape—his income covers his expenses! Of course, the school year has only just started and the many temptations of student life are only just beginning—concerts, pizza nights, movies... That's why Step 5 is so crucial.

5. Record, Review, Revise

Pat's entire money management plan hinges on this step, even though it can be a tad tedious. Pat hangs on to all those zillion slips of paper that document his spending: receipts, credit/debit card transaction records and cancelled cheques. If he loses a receipt or doesn't get one, he writes down what he spent on a slip of paper and includes it with the other information. He keeps these slips of paper in his wallet and transfers them to an expanding file every Friday.

At the end of the month, based on his zillion slips of paper, Pat adds up all his monthly expenses in each category and records the total in the "actual" column. At the end of the school year, he can go through the same process with his one-time expenses. That'll help him predict his expenses for next year more accurately. Through this process Pat discovers whether what he planned to spend and what he actually spent are even remotely close to being the same amount!

If Pat spends less than he planned, he's laughing. If he spends more, he has to revise his budget. He'll either have to spend less money or make more money—or he's going to be eating macaroni and cheese until the end of the school year. It's as simple as that.

Your Turn

Use the same charts that Pat filled out to create your own financial portrait. Make enough copies to get you through the school year. Or, you can adapt the information in the charts to one of the many personal finance software programs out there.

But first, check out these tips:

- Remember to plan for the cost of living in the city where you'll actually be going to school. Housing, food and transportation costs can vary a lot.
- If you're sharing your space with a roommate(s), compare your spending plans closely. You should each budget a similar amount for the expenses you share—rent, food and utilities, for example. Ongoing communication (negotiation?) about your spending plan is going to be essential if you want to avoid having to look for a new roommate (or apartment) mid-year.
- Make your estimates high, rather than low. Budget surprises tend to be much more pleasant that way.

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Step 1 Sources of Income

Income	Planned	Actual
Scholarship, bursary, grant		
Family financial support		
Student aid		
Savings/Summer job		
Part-time job		
Tax refund		
Other		
Total income		

Step 2 Upfront, One-Time Expenses

Expense	Planned	Actual
Tuition		
Books and mandatory fees		
Damage deposit		
Utilities hookup		
Moving expenses		
Furniture, linen, etc.		
Other		
Total upfront expenses		

Step 3 Determine Monthly Income

Total income	_____	
Less upfront expenses -	_____	
Balance to live on	_____	divided by _____ months =
Monthly income	_____	

Step 4 Estimate Monthly Expenses

Expenses per month	Planned	Actual	Expenses per month	Planned	Actual
Rent and utilities			Transportation		
Food and groceries			Emergency fund		
Miscellaneous			Other		
Clothing			Total		
Laundry/Dry cleaning					
Phone/Internet					
Medical/Dental					
Drugstore supplies					
Recreation and entertainment					

Step 5 Record, Review, Revise

Monthly income: _____

Monthly expenses (actual): - _____

Savings or shortfall: _____

You can also check out this other great budgeting tool called Student Spending Plan: An (almost) painless guide to money management at alis.alberta.ca/pdf/tips/SpendingPlanWorksheet.pdf.

If you are a parent and receive or pay child support, remember to include the amount in the Income or Expenses worksheets.

Bottom Lining

Perhaps the only comforting thing about a bottom line is that you can't argue with it.

You're either spending

- less than you have
 - about what you have
- OR
- more than you have

If you're in that last category, your choices are also simple.

You've either got to

- boost your income
- AND/OR
- cut your expenses

In other words,

- find a part-time job, work more hours, ask your parents for more money, borrow money...
- AND/OR
- spend less on non-mandatory items such as clothes, movies, treats, etc.

Organizing All Those Bits of Paper

It'll take maybe \$10 in low-tech equipment and about 20 minutes of your time to get this thing started. But once your system's rolling, it'll pretty much look after itself—and you. Just think—no more searching for last year's tuition receipt. Come tax time, you will *know* where your T4s are!

The key to this system? Two big, expanding files. Label one "Budget Files." Label the other "Money Files."

Your Budget Files

This process will make it a lot easier to follow that budget you created back at the beginning of this section.

- Label one pocket in this expanding file to correspond to each item on your "Estimate Monthly Expenses" table.
- Put all your expense receipts in the appropriate pockets throughout the month. Do this on a daily basis or pick a specific time each week to retrieve the receipts (we just know you're hanging onto them!) from your wallet.
- At the end of the month, total the receipts in each category and fill in the "Actual" amounts on your expense sheet. Now you know where you stand.
- Staple all of the month's receipts together or stick 'em in an envelope and store them back in the appropriate pocket. (Or file them in the garbage if you're sure you won't need them again.)

Your Money Files

Use these files to store your “Big Picture” money stuff. Label the pockets and stash the papers as follows:

- **Key Data**—Emergency information like your birth date, medical info, parent’s phone number, your doctor’s number, numbers for other important people, your social insurance number, health care number, passport number, and addresses and account numbers for your bank(s).
- **Bank**—Bank books, statements and account agreements (amounts and timing of any automatic bank withdrawals or deposits).
- **Credit/Debit**—Credit card statements and credit/debit card receipts (keep the receipts at least until the item turns up on your statement. Keep ’em longer if you want).
- **Education/Transcript**—High school marks, post-secondary marks, course/degree planning, academic achievements, etc.
- **Employment**—Your resumé, performance evaluations and letters of commendation. You may want to start a companion file called “Employment Futures” for clippings and notes that support your goal.
- **Reward Programs** (if applicable)—Rules, limits and bonuses for these programs.

- **Housing**—Copy of your rent or accommodation agreement. Cancelled rent cheques. Receipt for the damage deposit. Copy of tenant’s insurance policy.
- **Income**—Hang onto your pay stubs. You can do an early estimate of your tax picture. You’re also covered if your employer misses the February deadline for your T4 slip.
- **Loans**—Loan agreements, student loan negotiation slips, proofs of payment (hang onto these for at least five years).
- **Medical/Dental**—Receipts (qualifying medical and dental expenses are an income tax deduction), prescriptions and vaccination records.
- **Taxes**—A copy of your annual return(s) and receipts (supporting documents) submitted (keep these for at least seven years).
- **Utility bills**—Current year statements.

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Student wi\$e

When you get two receipts for a credit card or debit card transaction, then no problem. But otherwise, where do you file the receipt? In your Budget File as an expense? In your Money File as a credit record? I decided to always file the receipt in the credit pocket and write a note—date, amount, item—on a slip of paper for my expenses pocket. Then I’ve got the real receipt handy when I check my monthly statements.

—Bella, Warburg

Banking

Banks, trust companies and credit unions all want your business. They make their money by investing the money you deposit and by charging you for transactions (e.g., withdrawals, cheque cashing) they do on your behalf. Here are a few things to consider when you're deciding which institution will get to look after your hard-earned cash.

- The best way to choose a bank, trust company or credit union (from now on, let's just call them all "banks") is to visit a few. You may want to check out those that have branches on or near campus or close to where you live. Check out their hours. Talk to the bank staff about your needs.
- Or, you could look into virtual (online) banks. They don't make you pay service fees, and they offer chequing and debit transactions for free. Some online banks offer a points program that allows you to earn credits towards future purchases. Ask family and friends or search online under "Branchless Bank," "No Fee Banking" or "Virtual Bank" for more information.
- How well do the personnel treat you? You're not a big customer (yet) but if the bank's smart, it'll treat students well in an effort to build customer loyalty for the (earning) years to come.
- What kind of student discounts does the bank offer? Some banks offer lower rates to students on service charges and flat-fees.
- Does the bank have ABMs (automated banking machines) in convenient locations on campus or near where you live? Using another bank's ABM can cost you a lot in service fees.
- Is the bank offering any special promotions to new customers like you?



By All Accounts

If you're like most students, you will have to manage more financial resources at the beginning of the school year than you have in the past. You may want to consider opening two accounts: one that gets the most out of the large sum and another for day-to-day transactions. You may want to cover your needs with this strategy.

- Put your lump sum in a savings account that will maximize your interest. You'll be moving money out of this account quite often, so make sure it won't cost you an arm and a leg to do that.
- Open a chequing account for paying your rent, bills and other expenses. You'll transfer money from your savings account into this account on a regular basis, say once a month (you can probably even arrange for your bank to do this for you automatically—for a fee).
- Talk to the bank staff about your needs. They'll probably recommend a couple of specific accounts for you to consider. Check out the Banking ABCs section that follows before you make a decision.



Red Flags Flapping!

You know you have a money problem if you're

- always late paying your rent
- constantly overdrawn on your chequing account
- frequently writing non-sufficient fund (NSF) cheques
- unable to pay credit card minimums
- using credit card cash advances to pay other bills

If you hear these red flags flapping, it's time to cut your spending or up your income!

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Banking ABCs

Some questions to ask your bank and yourself before you choose an account.

Automated Banking Machine (ABM)

Does the account include ABM access? What are the charges? Can you access the account through Interac (a service linking ABMs from many institutions)?

Account Access

Can you access this account using a debit card (a card that allows you to withdraw funds from the point of sale)? Can you access this account online or by phone? What are the transaction fees?

Benefits

What kind of bells and whistles come with the account? What do they cost in transaction fees? Will you use them?

Chequing

What does it cost to write cheques on this account? Are you charged per cheque or is there a flat-fee? Will you write enough cheques to make the flat-fee worthwhile? Do you need a record of your cancelled cheques returned to you? What will this service cost?

Flat-Fee

Is there a single monthly fee that covers most transactions? Which transactions does it cover? Would it be cost effective for you? Is there a reduced flat-fee for students?

Interest Rate

What's the interest rate on this account? Does it apply to every balance or do you need to have a minimum balance in the account before interest is paid? How does the interest rate compare with those on accounts with different or fewer services?

Minimum Balance Requirements

Do you have to maintain a minimum balance in the account to qualify for its benefits? What's the penalty/transaction fee for services if the minimum balance isn't maintained? Will you be likely to maintain the minimum balance for a full month, every month?

Overdraft Protection

What will it cost to ensure that the bank covers cheques and withdrawals when they exceed the money you've got in your account?

Reporting

How do you and the bank keep a record of this account? Is a monthly statement issued? Are cheques returned? Do you use a passbook? Is this method convenient for you?

Banking Smart

Try these tips if you want to bank more wisely, more securely and (somewhat) more cheaply.

Student wi\$e

I used to use my debit card a lot, but now I only use it for large purchases that I plan ahead for (like the weekly grocery haul) and for emergencies. The fees were killing me and I couldn't seem to keep track of all those little slips of paper. It was time to go back to good old-fashioned cash.

— Michael, Smoky Lake

- Use your budget to find out how much money you'll need for a certain period (a week, for example) and withdraw that amount in a lump sum, rather than in several smaller amounts. It'll save you a bundle in transaction fees.
- If you're paying a transaction fee to write cheques, save the cheques for the big items (like rent). Use cash for smaller purchases.
- If you have more than one chequing or savings account for no good reason, consolidate them into a single savings and a single chequing account. You'll probably pay less in service fees. Your higher balance might even score you better benefits.
- Keep track of your balances, especially in your chequing account. An NSF (non-sufficient funds—the cheque “bounces”) cheque can cost you over \$40 at your bank and another \$20 to \$30 in service charges from the business you handed the cheque to in the first place. Plus the cost to your reputation. Likewise, keep an eye on your minimum balances, so you don't lose out on benefits.
- Keep records of all your withdrawals and deposits. Balance your cheque book. Then compare your records to the bank's monthly statement. Though they might be able to add faster than you, bank personnel are not infallible (neither are their computers!).
- Remember to retrieve those transaction slips from the ABM. You will need them for your records. Plus, dishonest people can use them to track down information that could allow them to access your account.
- Never give out your bank card's personal identification number over the phone or in person to anyone, not even to your bank manager.

Money Talks

Somewhere along the line, you'll be talking to them—the loans officer at your bank, the student finance advisor at your school, the government student aid officer—people in a position to make decisions that will affect you, your money and your higher education. You may want to go into these discussions prepared.

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Prepping

Go to your meeting or make that phone call primed.

- Talk the talk. Read *Money 101*. Read the glossaries in the brochures from your bank. Know the terminology.
- Do your homework. Come with your most important questions written down. Plan to leave the meeting with answers—or at least a good idea where you can go to find the answers.
- Listen carefully. Ask for explanations of any terms or situations that aren't perfectly clear to you. Take notes.
- If you don't know, ask. Ask lots of questions. This is your life, your future, your money. Nobody cares as much about it as you do.
- Don't sign anything unless and until you completely and totally understand the details and all they imply.
- Read the small print, every line. If the person you're meeting with seems impatient, end the meeting and take the papers with you so you can study them at home. Arrange to meet again later.
- Ask for the name of the person you're speaking to, so you can deal with the same person next time, too.
- If you're looking for a bank loan, shop around. Take your time.

Talking

So—you're off to meet with or call those folks who could be the gatekeepers to your future success and happiness. You may not be tongue-tied, but you may find yourself wondering what to say. Here are some sample scripts to help you. Use them as a starting point for creating your own.

With a Student Financial Aid Officer

Sample Scripts

- *Could you tell me what kind of documentation I need to include with my loan application to show that I'm not a dependent? I've been working for the past two years.*
- *I was turned down for a student loan, but my situation has changed since I applied. Could you please tell me how to appeal?*
- *I'm enrolling in _____ and I'd like to find out if there are any apprenticeship or co-operative education programs available in that area.*
- *I haven't heard yet whether I got my student loan. I applied on _____. Could you please tell me when I might expect to hear?*

With the Registrar's Office Staff

Sample Scripts

- *You: I'm interested in applying to the university. Could you please send me a copy of your complete calendar and an application form?*
Registrar's Office: I'm sorry. We can't send those calendars out except to institutions. I can direct you to our online application system or send out an application form.
You: I live in _____. Could you tell me what institution in my area would have a copy of your calendar?
- *I haven't heard yet whether my student loan has been approved. I'd like to defer paying my tuition until I receive my loan. Could you please tell me how to do that?*

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At the Bank

Sample Scripts

- *Bank personnel: If you had a credit card, you could use it to establish your credit rating.*
You: That's true. But paying my bills on time now and paying off my student loan when I graduate will also establish my credit rating. Thanks for the offer, but I think I'm going to hold off on the plastic till after I graduate.

- *Thanks for telling me all about the Bells and Whistles account, but I don't need all those benefits. I'm looking for a chequing account that has no fees or fees-for-service for writing cheques and paying bills. Do you have that kind of account?*
- *I think we may have a problem. I've got the receipt for a deposit that isn't shown on this month's statement.*

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How to Be

Over the phone or in person, you're going to make an impression on the people you talk to. It may as well be a good one. After all, you want to make it as easy as possible for them—loans officers, student finance advisors, registrar's office staff—to help you.

- When you deal directly, honestly and respectfully with people, they're more likely to deal that way with you, too.
- These days, everybody's busy. You may be asked to wait; you may be put on hold. Don't take it personally.
- Be patient. Be polite. It makes a difference.

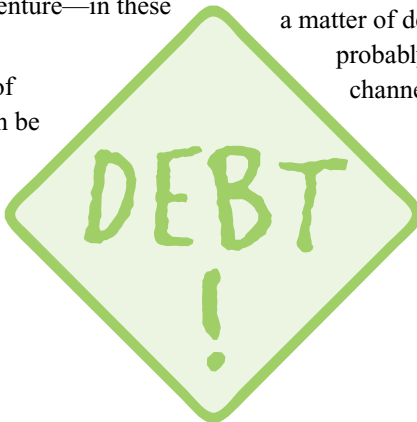
Credit: A Six-Letter Word For “Debt”

Buy now, pay later—but pay MORE later!

Credit allows you to buy today what you can’t afford today. You don’t have to pay for it until later. But the danger is, you may not be able to afford it later, either. And by then, you’ll be paying for the item and for the interest on the money you’ve borrowed to purchase it.

When you borrow wisely, going into debt can be a good thing. A government-sponsored student loan, a mortgage on a house or a start-up loan for a well-planned business venture—in these situations borrowing money can be positive.

Other kinds of debt/credit—credit cards, lines of credit, buy-now-pay-later consumer credit—can be buck-gobbling swamps where you can get well and truly stuck for several years.



Wants Versus Needs

In the best of all possible worlds, the only kind of credit you’d need to get you through higher education would be the kind that’s attached to the courses you’re taking. In the real world, a student loan is often a necessity. If you’ve done your planning, if you’re hanging in until you graduate, if you’re working every summer, don’t sweat it. Chances are excellent you’ll be able to handle that student loan come graduation.

But going into hock for something less essential to your future than a post-secondary education just isn’t worth it. Stay out of the debt/credit crunch that goes along with living in a consumer culture. Everybody needs treats and concert tickets from time to time, especially hard-working post-secondary students! But it’s a matter of degree (pun intended). The reality is, you’re probably living on a reduced income because you’re channelling a whole lot of money towards your future.

There *are* a lot of wonderful ways out there for you and your cash to part. How do you tell the difference between what you want and what you need? Next time you're contemplating a larger-than-sandwich purchase, ask yourself these questions:

- How does buying this item/service support my educational goal?
- If it doesn't support my goal, how important is it to me?
- Am I buying the item/service or the lifestyle, feelings or status that are being used to sell it to me?

If you still can't decide whether this is a need item or a want item, try this strategy:

- Buy some time instead. Leave the store or showroom, hide the travel brochure, turn off the TV—do what it takes to put distance between you and the item/service that's captured your attention.
- Go home and pull out your budget sheet. Can you afford to pay cash for this item/service? What would you have to give up in order to do it? Would that be worth it?
- If you can't afford to pay cash for the item/service, how will you pay for it?
- Is there another less expensive item/service that you could substitute for this one?
- Sleep on it. See how urgent the purchase feels tomorrow morning. Or the next day... Or the next...

Student wi\$e

If I could do it over again, boy, would I do it differently! Right now, I owe about \$1,000 on my credit card. I'm paying about 19 per cent interest and I can just manage to make the minimum payment each month. At this rate, it's going to take me around eight years to pay it off. No kidding.

— Verna, Rimby

It was a gorgeous coat and it was on sale. My old coat was due to be replaced next winter. I could have worn it another season, but this coat was just what I wanted and there it was, right in front of me now, not next year! I used my credit card. I promised myself to cut back buying clothes and other items I could do without until I'd paid it off. I stuck with my promise and paid it off over three months. Because the coat was on sale, I ended up saving money.

— Maddy, St. Albert



Credit Cards

Despite what the ads tell you, having a credit card doesn't make you a member of an elite group. To get a card, you only need to be 18 years old, have a good credit history and possess a (low) minimum income. Getting a card isn't difficult. Managing a card is more of a challenge.

Avoiding the Pitfalls of Plastic

Here's how to make your credit card(s) work for you rather than against you.

- Limit the number of credit cards you have. One is a good number.
- Pay your credit card balance on time and **in full**, each month.
- Keep a record of all your credit card transactions.
- Keep your credit card limit low.
- Avoid using the card for cash advances. The interest kicks in the minute you hold the cash in your hand.
- Give your credit card number out over the phone *only* if you initiate the call, and online only to reputable businesses.
- Leave home without it!

When Debt Wears a Halo...

Don't we have anything good to say about borrowing money/using credit/going into debt?

Well, as a matter of fact, we do. When you take out a loan or use a credit card and make your payments in full and on time, you are establishing a good credit rating. This is a valuable thing to have when it comes time to buy a car or qualify for a mortgage or take out a loan for your post-graduation business idea. It tells your potential creditors that you can be trusted to repay what they lend.



Tax Time

If you could get paid a fair chunk of money for hanging on to a few receipts and doing a bit of simple math, would you do it? To name a few of the receipts; tuition, bus passes or receipts, medical or moving expenses, charitable donation, childcare, children's fitness and arts, and of course RRSP receipts. Filing a return could make you eligible for a Goods and Services Tax Credit and the Working Income Tax Benefit. Strangely enough, though, lots of students don't bother to take this step. It's not too difficult to complete an income tax return. If you need help there is always the CRA website, the CRA Individual information line 1-800-959-8281 or the Community Volunteer Income Tax program to assist you.

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Give Yourself Credit (and Deductions)

The point of this exercise is to use all the tax credits and tax deductions legally available to you to lower your income to the point where you pay as little tax as possible. Ideally, you want to put all of the money your employer deducted from your paycheck back into your own pocket!

As a student, you may qualify for a number of tax credits and deductions. You can find detailed information on student income tax by going to the Canada Revenue Agency's website (cra-arc.gc.ca/students).

Tax Credits

- If you were employed, you may be eligible to claim the Canada employment amount.
- If you take public transit you may be eligible for a non-refundable tax credit to claim the costs.
- As a student you may get a non-refundable tax credit on the interest charges you are paying on your eligible student loan.
- You may be eligible for the Refundable Medical Expense Supplement.
- If you've paid eligible tuition fees, you may be able to claim a non-refundable federal tax credit equal to a percentage of the fees you've paid.
- All receipts will apply by calendar year (January 1 to December 31).
- Keep a copy of each official tax receipt (T2202A) that your post-secondary institution issues for your tuition. Canada Revenue Agency may want to see them.
- Report your tuition, education and textbook amounts. Depending on your province or territory of residence, you may also need to attach a provincial schedule. See cra-arc.gc.ca/students for more information.

- You may also be eligible for the education amount based on the number of months in the calendar year during which you were enrolled as a full-time or part-time student in a post-secondary program. Full-time students receive a higher amount than part-time students.
- If you are eligible to claim the education amount, you can also claim a textbook amount. Full-time students receive a higher amount than part-time students.
- Once you've used the tuition, education and textbook amount tax credit to bring your tax payable to nil, you may be able to transfer all or part of any remaining amount to a family member. See cra-arc.gc.ca/students for more information.
- You can also carry forward any unused amount to a future tax year. Go to cra-arc.gc.ca/students and click on "Pamphlet 105, Students and Income Tax" for more information.

Other Deductions

- If you've been a full-time student and you move within Canada to take a summer job or start a business, you can claim moving expenses. Keep your receipts!
- If you have to join a union for a summer or part-time job, your union fees are deductible.

Happy Returns!

- Always keep the receipts for any earnings or deductions you're claiming on your tax return. File them separately so they're easy to find at tax time. And hang on to them for at least six years.
- If you're working part-time, fill out a government form called a TD1. This will enable your employer to keep the deductions from your paycheque to a minimum, if your estimated annual earnings are below a set amount. If you're working more than one job, it's important that you contact the Canada Revenue Agency to ask for assistance before completing any additional TD1 forms.
- Tax rules and regulations change all the time. Check the Canada Revenue Agency's website at cra-arc.gc.ca.
- For further information specific to students, visit cra-arc.gc.ca/students or call 1-800-959-8281. For information in French, visit cra-arc.gc.ca/etudiants or call 1-800-959-7383.

- If you need help to file your tax return and you cannot afford to pay to have your return prepared, you may qualify for the Community Volunteer Income Tax Program. See cra-arc.gc.ca/volunteer or cra-arc.gc.ca/benevole.

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Help

Sometimes it hits like a tsunami—loans, balances, budgets—the high finance of further education can be overwhelming. Even when you're not working night and day just to stay on top of school. Which you are.

It's not hard to see how this stuff can bring you down from time to time. The good news is you don't have to deal with it all by yourself. There are people out there who can help you.

- Talk to your family and friends about your money troubles. They're on your side, and they'll bring a fresh perspective that could help you.
- If you need answers, ask the people who know at your bank or at your school financial aid office.
- If you think you're dealing with more stress than you can handle, talk to a counsellor. The people at student health services on campus will be able to put you in touch with someone who understands school pressures and the problems you may be facing.

And remember, asking for help when you need it is not a sign of weakness—it's a sign of personal strength.

\$TRETCHING YOUR \$\$

It isn't how much money you have—it's how you spend it.

This section, too, is dedicated to helping you make your money last from the beginning of your school year all the way through to the end. It is possible to feed, clothe and shelter yourself, buy your books and supplies, order the occasional pizza and still have money left over for a good time, now and then. Challenging. But definitely possible.

What you need are some helpful hints for getting the best value for your money. And *Money 101*'s got 'em! Ingenious, student-tested ideas, classified by category. Dare your dollars to go the distance! Read on...

The ONLY Card You'll Ever Need

Your Student Card. Really. It may not be a gold card, but it's worth its weight in some kind of coin. Here are some tips to make the most of this good thing:

- Never leave home without it.
- Always ask if there's a student discount. Don't wait for them to tell you. And ask before they ring through your purchase.

What could be easier?

Book It

The key with textbooks is to know what you need and buy second-hand, if you can.

- Pick up the reading list for each of your courses as soon as it's available so you can have your pick of the second-hand texts.
- Know some people who took the course last term? Ask if you can buy their texts.
- Check the "For Sale" bulletin boards around your program area for the books you're seeking.
- Unless you want to hold on to your texts, sell them at the beginning of the following term. Check with your post-secondary institution as to where online or for sale notices are posted. Don't forget to use social media.



Student wi\$e

I bought a used textbook for one of my courses and then I found out that it was an older edition. When I checked with my prof., she said it didn't really make much difference except they'd updated one chapter. So I made notes on that chapter from my friend's copy.

— *Raj, Calgary*

When you're buying classic, go for quality. When you're buying trendy, get it cheap.

Supplies in Demand

Supplies cost money. Here are some cost-saving tips.

- Job fairs and corporate-sponsored events can be a great source of freebies—pens, pencils, post-it notepads, folders.
- Ask at your favourite copy shop if you can raid its recycle bin for standard-size scrap paper. Use it for your rough drafts.
- Shop the August back-to-school savings, if you know by then what you'll need.
- Pick up some deep discounts at an office warehouse store. Multi-packs are the cheapest way to buy, so stock up for the year or go with a friend and split the goodies.

Fashion Statements

As you no doubt know, being in style can mean being out-of-pocket—plenty. But it doesn't have to be that way.

- Build a clothing cash reserve into your budget. Plan (and save) ahead for buying those big ticket items, such as a winter coat and boots.
- If you're a regular at a particular store, check out their frequent buyer program. And, of course, always ask for your student discount, especially when you shop on or near campus.
- Buy on sale. Shop the off-season—down vests in June—for the best deals.
- Shop at warehouse-style discount, manufacturer's wholesale and outlet stores. Look on the internet or ask other students where to find them. Inspect items marked “imperfect” or “seconds” carefully before you buy them, though. You may not want to live with the flaw.
- Check the care labels before you buy. “Dry clean only” equals big bucks. “Machine wash” means only coins.

- Think about the cost per wearing. A \$50 item that you wear only a couple of times may not be such a good deal. On the other hand, a \$150 pair of boots could last for years.
- If you've found something you can't live without, ask if it's going to go on sale soon. It may be worth waiting.

Getting There

You know what they say—it's half the fun.

- Driving a car is your most expensive choice. Gas, insurance, maintenance—then add on parking, which on or near campus comes at a premium. If you're going to do it, try to reduce your costs by carpooling. Send your message out word-of-mouth and look for carpooling bulletin boards around campus and online.
- Check and see if your school has a universal transit pass (U-Pass) with your non-instructional fees. These passes cover public transportation for the school year at a reduced rate. They will significantly reduce your transportation costs.
- For non-U-Pass holders, most transit systems offer student fares and discounts on transit passes. Estimate how often you'll use the system and the per use cost, then decide if a pass is worthwhile. Even if you use the service infrequently, buy blocks of tickets instead of paying single fare prices.
- Biking is a healthy, inexpensive and efficient mode of transport. All you need is a helmet, a bike in good repair with a bell and a sturdy bike lock. Mount a light and reflectors on your bike if you're riding at night (in winter, anytime after 4 p.m.!).
- Walking is always fashionable, and it's healthy. Plan ahead so you don't have to run to make it to class—unless you're in shape! If you're walking at night, do it with a buddy.

Student wi\$e

I always shop at consignment stores and second-hand shops. Designer labels, hip stuff in great condition, wonderful vintage clothing—it's amazing what you can find. And always for a lot less than just about anywhere else. And when I'm finished with something, as long as it's in good condition, I consign it at my favourite store. I get 50 per cent of the selling price.

— Carmen, Edmonton

Gimme Shelter

If you're not going to be living at your parents' home (or with friends or relatives), you've got to put a roof over your head.

Depending on the university/college/technical school you attend, you may be able to opt for the residence experience.

Or you may be looking for an apartment, house or room. At first glance, living off campus might look like the most frugal choice but when you figure in rent plus those day-to-day-to-day (they really can add up!) costs, residence might be your best alternative. We suggest some serious research before you choose. Either way, there are some points to keep in mind.

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On Campus

- Check out the range of choice in on-campus residences. Which one best suits your budget and your lifestyle? Are the benefits worth the extra bucks?
- Visit the residence(s), preferably during the school year. How do you feel about the atmosphere? Could you live, study and sleep there?
- Tally up the costs you don't see—telephone, laundry, pizza, etc.—when you're budgeting.

Off Campus

- Get a roommate(s)! Just make sure you work out exactly how you'll share expenses. Make sure everyone signs the lease. Meet regularly to talk about your budget and to air any concerns.
- Check the campus housing office for a registry of potential roommates and a listing of houses and apartments in the area.
- Accommodation close to campus may be more expensive. Would the amount you'd save in transportation costs and travel time make up for the premium rent?
- If you're looking at renting in a private home, see if you can trade yardwork, light housekeeping or babysitting for a lower rent.
- Make a checklist of all possible expenses—gas, electricity, water, cable—and find out from the landlord exactly which ones are included in the rent and which you'll be paying for yourself. If you're paying to heat your space, how well insulated is it? Ask to see some utility bills from last winter.

Calling Home...

- If you're going to school away from home, check out the discount packages offered by all local carriers, texting and long distance options. Pick the one that best matches your needs.
- Email or use social media, instant messaging or voice or video chat through the internet.



Student wi\$e

My buddy and I found a great place, right near school and cheap for the area. We signed the lease, moved in and then discovered that utilities weren't included. We had to pay an extra \$100 a month for utilities, which really blew our budget.

— *Damien, Medicine Hat*

Furniture and Stuff: Save Money in Seconds

- What free furniture can you scrounge? Stuff from your room, your parents' house, your aunt's attic, your cousin's garage—make a list of your finds and then a list of the other items you'll need.
- If you're taking over an apartment from departing students, see if they'd be willing to sell you some of their furniture.
- Shop online for used or second-hand furniture, or scan the bulletin boards around campus and in the community and the buy and sell columns in the local newspaper.
- Shop garage sales and rummage sales. They usually happen on weekends and are often advertised in the classified section of the local daily. You'll find the best selection at the big, cross-community fundraisers for churches, daycares, community leagues, etc.
- Check out the carpet remnants at flooring stores. You can achieve the wall-to-wall look by cutting a remnant to fit your room and sticking it down with two-sided tape.
- Always ask for your student discount.

Food Stuff, etc.

When it comes to cheap eats, your best choices are probably Mom's cooking, your (or your roommate's) cooking and campus meal plans. Mom's cooking may not be available. So we'll look at the other two. And sometimes you *may* want to eat out...

Meal Plans

- If you're living in residence on campus, you'll probably sign up for one of these. If you have some options, consider them carefully, as not all meal plans are created equally. If you're a big eater and there's an all-you-can-eat plan, the choice is obvious. Otherwise, check to see if you can cash in those meal points that you don't use.
- If you're spending long days on campus (of course you are!!) a meal plan at a campus cafeteria may be a good idea financially and nutritionally. You'll get at least one hot (and hopefully complete) meal this way. It will probably be better for you than most fast food.
- If you purchase a meal plan, use it!!

Do-It-Yourself

- Brown bag it. It's a great way to save \$7 to \$10 a day. Create a little variety by taking stuff you can heat up in the ubiquitous microwave (look for one in the corner of the cafeteria, in your department's lounge area or near student council offices). Invest in a reusable nylon lunch bag, a thermos for coffee or soup and a plastic water bottle or juice box for your cold beverage.
- Cook your favourite one-dish meals or stir-frys in large quantities, divide them into meal-size portions and freeze them for later.
- Buy yourself some quick snacks in bulk. That way you won't be so tempted to purchase them where they're most expensive—dished up from a kiosk or a convenience store.
- Make your coffee at home and take it with you.
- If you're going to buy your caffeine away from home, pick a café and use their frequent buyer card. You could save up to 15 per cent of the high cost of that java habit.
- To get the max from your food dollars, plan your meals a week in advance, make a list and shop for one week's groceries at a time. You won't be caught short of supplies so you're less likely to be dashing out to the (expensive) convenience store or living on packaged frozen (pricey) entrées.

Dining Out

- Student card, student card, student card. Always ask for that discount.
- Take advantage of two-for-one coupons, slow night (usually Monday or Tuesday) specials and all-you-can-eat buffets.
- Do the daily special and split the dessert.
- If you can't manage the whole entrée, take some of it home in a doggy bag. Gourmet lunch for tomorrow!

The Big Shop

- Make a grocery list based on your weekly menu plan and stick to it. You'll save a lot when you don't buy on impulse.
- Eat *before* you shop. For obvious reasons, shopping when you're hungry seldom saves you money.
- Warehouse stores, supermarket chains, the neighbourhood grocery store—where to shop? Each week, every store has its “loss leaders,” the items it puts on sale to draw customers into the store. Shop around from week to week if you've got the transportation. You'll figure out who seems to have the best overall prices.
- Going across town to the club-style discount grocery store may only make sense if you have access to a vehicle. A major bus ride and cab fare could wipe out whatever you might save.

- Clip those coupons! But only use them for items you'd normally buy.
- Buy fresh fruit in season. Buy generic or house brands. Buy in bulk—after you've compared prices.
- Read those labels! Look for the best-before date. Compare unit prices, when you can. And check the list of ingredients—the main ingredients are listed first.
- Shop convenience stores only in an emergency and only as a last resort.

Student wi\$e

My roommates and I belong to a food co-op. We each have to put in a couple of hours of work a month, sorting out groceries. But we save quite a lot, too. We couldn't afford to buy much organic or environmentally friendly stuff if we didn't do it through the co-op.

— Tess, Edmonton

Clean Up

Eventually, you're going to have to, so try these money-saving tips.

- Make your own household cleaners. Save money and help the environment, too. Here's an example: for cleaning walls and floors, add 1/8 cup of baking soda and 1/4 cup of laundry soap to a pail of warm water. Find more earth-friendly ideas online or through your favourite environmental organization.
- Use half the recommended amount of laundry detergent. Chances are you won't notice any difference.
- At the laundromat, take your own detergent. It's much more expensive to buy it on site. Save drying time and expense—pop your clothes into a dryer still warm from the last person's load, or hang to dry.
- Spray new or clean sneakers with starch so they stay clean longer.
- Say good-bye to paper towels! Try newspaper to clean windows and mirrors and rags to wipe up spills and clean floors, walls and countertops.

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The Big Night(s) Out

Everybody needs a break now and then. The trick is to make sure your breaks don't break the bank.

- Taking in a movie? Don't get taken in while you're doing it. Skip the pricey snacks (they'll more than double the cost of your night out!) or at least split that giant soft drink with a buddy.
- Make your local library your home entertainment centre. The library will lend you music and movies—for free.
- On campus, look for free or cheap concerts, theatre and visual art shows by your fellow (and often talented) students.
- Most publicly funded festivals include free entertainment. Watch for posters and listings in the local daily paper.
- If you volunteer for athletic or arts groups or at festivals and other special events, the "thank you" for your time often comes in the form of free tickets.
- Check out the athletic and recreational facilities on campus. Through campus recreation programs you could learn a new sport or work out for a lot less than you'll spend at a commercial facility.
- Planning to take in a game? Why not check out your own university/college team? Ticket prices will be low and you'll probably see some great action.

CONGRATULATIONS!

You've successfully completed *Money 101*!

You've taken a close look at the steps involved in financing your academic future. You're ready to face your year, knowing that you've got the skills to stretch your resources from one end of the school year to the other—and still have a life.

As you make your way toward your goals, we hope you'll remember to

- celebrate your achievements, large and small.
- welcome your mistakes—they're the best teachers you'll ever have.
- make your plans with your eyes wide open.
- dream.

Good luck!



For more information about post-secondary education or careers in Alberta

Alberta Learning Information Service (alis.alberta.ca):

- Planning for Post-Secondary: Discover your options and how to pay for school.
- Transfer Alberta: Find information about course and program transfer.
- Learning Clicks: Helps students prepare for life after high school.
- CAREERinsite: Online activities to generate occupational options and develop an action plan.
- OCCinfo: Learn about Alberta's post-secondary education programs and distance learning programs offered in Western Canada. There is also employment outlook, information about job duties and working conditions, certification requirements, and wage and salary ranges.
- Occupational videos: Real people working in real jobs share the skills and knowledge that are required for different occupations.

Alberta Career Information Hotline (alis.alberta.ca/hotline)

1-800-661-3753 (Toll-free in Alberta)

780-422-4266 (Edmonton)

hotline@alis.gov.ab.ca

Alberta Works Centres

- Alberta Works Centres across the province provide information on occupations, career options, ways to find work, educational programs and funding.
- To locate a centre near you, call the Alberta Career Information Hotline or visit alis.alberta.ca and scroll to “Career Services Near You.”

For more information about financial management

Student Aid Alberta Service Centre (studentaid.alberta.ca)

1-855-606-2096 (Toll-free in Canada)

National Student Loans Service Centre (canlearn.ca)

1-888-815-4514 (Toll-free in North America)

Money Mentors (moneymentors.ca)

- Money Mentors offers free online financial literacy skills courses. Visit moneymentors.skillbuilder.ca
- For additional information on budgeting and saving money, check out the *Stretch Your Dollars: Budgeting Basics* publication. Order online or download at alis.alberta.ca/publications.

1-800-294-0076

info@moneymentors.ca

Alberta Supports Contact Centre (albertasupports.ca)

• Alberta Adult and Child Health Benefit:

These programs help with the health-care needs of families with limited incomes.

• Alberta Child Care Subsidy Program:

This program provides financial assistance for child care to families with children under the age of 12 and who are not yet attending Grade 7.

1-877-644-9992 (toll-free in Alberta)

780-644-9992 (Edmonton)

Child Support Services (humanservices.alberta.ca/css)

The Child Support Services program is a free service that helps single parents and parents in blended families with limited incomes negotiate a child support agreement or obtain a court order.

310-0000 (toll-free in Alberta; ask for the Child Support Services office in your area)

Learning Clicks (learningclicks.ca/request)

Are you ready for life after high school? Learning Clicks is here to help. Our student ambassadors, who are currently attending post-secondary across Alberta, present to classes like yours to help you take control of your future. Ask questions, discover resources and uncover who you want to be and how post-secondary education can help you become that person.

Ask your teacher to book a presentation online, or by calling 780-415-9277.

Money 101

Provides valuable information about paying for further education, including

- the value of continued learning
- living and school-related costs
- financial management (including budgeting techniques)
- sources of financial assistance and where to apply

