



Financial literacy guide for newcomers to Canada

UNDERSTANDING HOW TO USE YOUR
MONEY RESPONSIBLY IN CANADA



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■ ABOUT THIS GUIDE

This guide was created by community partners to serve as part of the City of North Bay Immigration and North Bay & District Multicultural Centre's welcoming package to newcomers to Canada. It is intended to assist and educate newcomers about financial literacy and best financial practices while living in Canada and more specifically, in the North Bay region. It should be noted that this guide is intended only as such and should by no means act as a primary source for financial planning. A glossary is available at the end of this guide with further explanation of words that are in green. For more information about financial literacy and planning, newcomers are encouraged to contact their financial institution or professional financial planner for further assistance. For additional resources, visit northbayimmigration.ca

■ INTRODUCTION

Welcome to North Bay!

As a safe and welcoming community, North Bay has a great quality of life that offers the chance to grow, learn and develop professionally in an economically diverse city. The downtown vibrancy combined with the area's natural beauty and ideal location (just a short drive away from Canada's capital – Ottawa, and Canada's largest city – Toronto), makes North Bay an exceptional place to live. We hope this guide will provide useful information for you when it comes to getting started financially.

■ ABOUT NORTH BAY

Ontario's "Gateway to the North" has lots to offer – from an abundance of natural resources to a variety of year-round activities, festivals and entertainment for people of all backgrounds and ages to enjoy. What started as a small town along the Canadian Pacific Railway is now a diverse and vibrant community. Newcomers can learn more about the region's history and significant growth at the [Discovery North Bay Museum](#) located in the heart of downtown. Other local attractions include the [Chief Commanda II](#)



where you can enjoy a leisurely cruise around the shores of Lake Nipissing and the [Heritage Railway and Carousel Company](#) – a tourist and local hotspot on the waterfront. In addition to hosting two of Canada's premiere educational institutions – Canadore College and Nipissing University – North Bay also has a growing artistic community with numerous theatres, museums and art galleries that give the region a unique cultural voice while providing ongoing entertainment. For more information about North Bay, we encourage you to visit the [Invest in North Bay website](#) and check out the [North Bay & District Multicultural Centre](#).

■ NORTH BAY & DISTRICT MULTICULTURAL CENTRE

Located downtown, the North Bay & District Multicultural Centre is a hub of information to get you started and settled in the region. It is our mission to help you make the transition to North Bay easy, by providing a variety of services including:

- Settlement assistance
- Job search assistance
- Assistance with immigration applications and paperwork
- Assistance with Canadian citizenship preparation
- English language services and referrals
- Community training and workshops
- Providing community referrals
- Volunteer matching program and more

On top of these services, the Anti-Racism Lending Library offers resources at the centre that are maintained and updated regularly by the North Bay & District Multicultural Centre volunteer committee. These resources are available for anyone to use, free of charge, during regular business hours and feature helpful tips on everything from getting around the neighbourhood to opening a business.

You can read about each of these offerings and more on the website at www.nbdmc.ca.

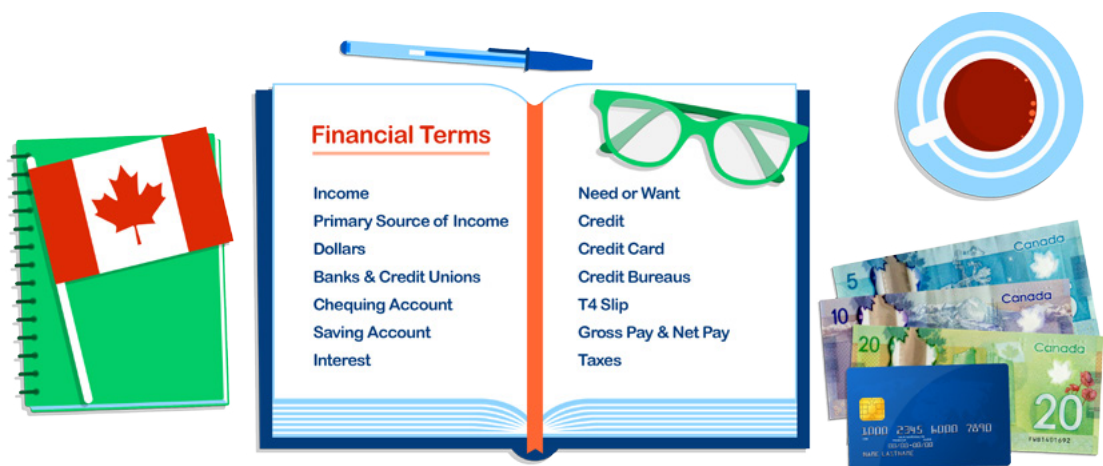
■ NORTH BAY NEWCOMER NETWORK (NNN)

The North Bay Newcomer Network can also help you in adjusting to the region. NNN is North Bay's Local Immigration Partnership (LIP) funded by Citizenship & Immigration Canada. It is made up of a volunteer council dedicated to helping

newcomers adjust and get settled. Members represent the private and public sectors as well as all three levels of government in North Bay and the surrounding area. NNN aims to attract and retain talent in the region and supports newcomers with making community connections and feeling at home. NNN's HR North Program offers an employment matching service that pairs skilled newcomers with employment opportunities in Northeastern Ontario. An ongoing project of NNN is the North Bay Skilled Newcomer Career Loan program (see [page 17](#) for details). You can read more about NNN and its activities online at www.nbdmc.ca/nnn.

■ WHAT IS FINANCIAL LITERACY?

In short, financial literacy is having a thorough understanding of how to be more **FISCALLY** responsible. It is about having the knowledge and confidence to make good financial decisions and it also means knowing how to work and plan financially towards your goals.



■ WHY IS FINANCIAL LITERACY IMPORTANT?

As a newcomer to Canada and the North Bay region, it is important for you to develop an understanding of Canada's economic system, federal, provincial and municipal protocols when it comes to finance - such as how and when to properly file **INCOME TAXES**, how and where to **INVEST**, how to establish positive **CREDIT HISTORY** and more. Knowing the basics will help you get started and allow you to develop positive habits that will lead to ongoing financial success.

■ SMART CONSUMING

Knowing how to make informed decisions when it comes to using your money is a large part of being financially literate. Understanding the short and long-term impacts of the choices you make as a consumer can help you keep track of your **EXPENSES** and establish good **CREDIT** and **SAVINGS**. Being a **SMART CONSUMER** can help you plan financially in a way that enables you to live comfortably within your means, while also building savings in order to achieve long-term goals. When it comes to being a smart consumer, it is important to understand the difference between purchases that are needs and wants.

NEEDS are purchases that are necessary for your life and well-being. This includes basic necessities like food, water, shelter and clothing.

WANTS are purchases that are not necessary, but are nice to have. For example, a car, eating out at restaurants, tickets to a movie or sporting event etc.



Distinguishing and understanding the difference between a want and a need purchase is important to help budget and control your spending. Being a smart consumer also means setting S.M.A.R.T. economic goals: **S**pecific, **M**easurable, **A**chievable, **R**esults-focused and **T**ime-bound

Specific - goals should be specific. Knowing exactly what you want can help you focus and plan on ways to achieve that goal (i.e. you are more likely to be successful setting the specific goal of saving \$20.00 per week instead of just making a goal to save).

Measurable - goals should be measureable. It is important to know and understand the steps that need to be taken to achieve your goals. By tracking your progress and setting smaller goals along the way, you'll be more likely to stay on track towards reaching and meeting your goal.

Achievable - goals should be achievable. It is important that goals are doable and realistic - this helps you form a clearer vision of achieving them.

Results-focused - goals should be results-focused. It is important to keep the big picture in mind.

Time-bound - goals should be doable and timely. Creating a realistic time frame for achieving your goals can help you stay on track while keeping the end results in mind.

Other things to think about when it comes to S.M.A.R.T. consuming include:

- Your current financial status – do you have a **REGULAR INCOME** you can depend on? Do you have any savings? What are some of your most common, regular expenses? Do you have any **DEBT**?
- The value of the purchase – is there a cheaper option of the same quality available? Is it the best time to purchase this item or is this an item that can be purchased at a later, more convenient date?
- What are the pros and cons of making this purchase? How will it impact you financially in the immediate and long-term?

Knowing the answers to each of these questions can help you make informed, responsible purchase decisions. Being a smart consumer helps you to become more financially literate.

■ CANADIAN ECONOMICS

Without getting into the details of Canada's political and economic system, there are a few key things to know about how finances work in Canada. For one, Canadian currency is used and accepted across the country in exchange for goods and services. The value of the Canadian dollar can change based on global economic rates and patterns.

● Canada Revenue Agency

As a federal body responsible for administering and ensuring people follow the tax laws across the country, the Canada Revenue Agency (CRA) provides up-to-date information about Canada's economic policy and current state of economic affairs. The CRA provides a wealth of resources and incentive programs to help Canadians and individuals living in Canada make smart financial decisions. The CRA also offers programs and services that aim to provide and promote positive well-being. Some of these services include assisting individuals and businesses

with tax forms and filing tax returns, making payments, registering a business and/or charity. You can find out more about CRA programs and services on the CRA website: cra-arc.gc.ca/menu-eng.html

● Income and Taxes

INCOME refers to the money an individual receives in exchange for his or her goods or services. In other words, income is the amount of money you make. Most people earn a regular income through full-time and/or part-time employment. A person's **PRIMARY SOURCE OF INCOME** refers to their regular income or where they make most of their money. In Canada, income is taxed federally and in some provinces (including Ontario), taxed provincially. This is referred to as **INCOME TAX**. The amount you are required to pay for income tax depends on your total yearly income.

Your income is usually a set amount that is determined based on your education, job level and number of work hours. It is usually outlined in a formal offer of employment.

Usually your income will include certain federal and provincial deductions including any **EMPLOYMENT BENEFITS** (usually health and dental insurance) or contributions to the **CANADIAN PENSION PLAN (CPP)**. The total amount of pay or income you receive before deductions is called **GROSS PAY**. The amount of income after deductions is referred to as **NET PAY**. Your employer is required to present you your pay at every **PAY PERIOD** in the form of a **PAY STUB**. This can be shown either electronically or as a hardcopy stub displaying all pay and deductions incurred during the specific pay period.

SAMPLE PAY STUB:

Hours and Earnings						Taxes		
Description	Rate	---Current---		---YTD---		Description	Current	YTD
		Hours	Earnings	Hours	Earnings			
Regular		147.00	3,333.33	293.50	6,501.82	CIT	465.92	1,137.72
Sick Leave			0.00	7.50	164.84	CPP	151.13	340.34
Vacation Leave			0.00	35.00	769.23	EI	59.33	132.36
Total:		147.00	3,333.33	336.00	7,435.89	Total:	677.38	1,610.42
Before-Tax Deductions			After-Tax Deductions			Employer Paid Benefits		
Description	Current	YTD	Description	Current	YTD	Description	Current	YTD
Pension Plan	150.00	335.78	Cost Shared Dental	11.91	23.82	Cost Shared Dental	35.75	71.50
Union Dues CUPE 1302	50.00	111.54	Semi-Private Hospital	5.42	10.84	Supplementary Medical	70.92	141.84
			Basic Life Insurance	11.52	23.04	Basic Life Insurance*	14.04	28.08
			Long Term Disability	42.00	84.00	Pension Plan	200.00	446.93
			Parking	103.96	207.92	Pension Mini Guarantee	132.67	295.95
						Pen Reserve Non-Red	5.25	11.74
Total:	200.00	447.32	Total:	174.81	349.62	*Taxable		
Total Gross		CIT Taxable Gross		Total Taxes		Total Deductions		Net Pay
Current	3,333.33		3,147.37		677.38		374.81	2,281.14
YTD	7,435.89		7,016.65		1,610.42		796.94	5,028.53
Direct Deposit Distribution								
Account Number						Deposit Amount		
13210						2,281.14		
Total:						2,281.14		

Your employer is also required to provide a **T4 SLIP** each year detailing your total pay and deductions for the entire previous year. These forms are part of filing your annual income taxes. If you are self-employed, it is your responsibility to keep track of any taxes you owe.

SAMPLE T4 SLIP:

Employer's name - Nom de l'employeur		Year Année	T4 STATEMENT OF REMUNERATION PAID ÉTAT DE LA RÉMUNÉRATION PAYÉE		
Payroll Account Number (15 characters) Numéro de compte de retenues (15 caractères)		14	Employment income - line 101 Revenus d'emploi - ligne 101	22	Income tax deducted - line 437 Impôt sur le revenu retenu - ligne 437
		10	Province of employment Province d'emploi	16	Employee's CPP contributions - line 308 Cotisations de l'employé au RPC - ligne 308
12	Social insurance number Numéro d'assurance sociale	28	Exempt - Exemption CPP/QPP EI PPIP	17	Employee's QPP contributions - line 308 Cotisations de l'employé au RRQ - ligne 308
Employee's name and address - Nom et adresse de l'employé Last name (in capital letters) - Nom de famille (en lettres moulées) First name - Prénom Initials - Initiales		29	Employment code Code d'emploi	26	CPP/QPP pensionable earnings Gains ouvrant droit à pension - RPC/RRQ
		18	Employee's EI premiums - line 312 Cotisations de l'employé à l'AE - ligne 312	44	Union dues - line 212 Cotisations syndicales - ligne 212
Other information (see over) Autre renseignements (voir au verso)		20	RPP contributions - line 207 Cotisations à un RPA - ligne 207	46	Charitable donations - see over Dons de bienfaisance - voir au verso
		52	Pension adjustment - line 206 Facteur d'équivalence - ligne 206	50	RPP or DPSP registration number N d'agrément d'un RPA ou d'un RPDB
		55	Employee's PPIP premiums - see over Cotisations d'employé au RPAP - voir au verso	56	PPIP insurable earnings Gains assurables du RPAP

Taxes contribute to overall public service – this includes ensuring that health care, roads, schools and other government institutions are maintained in order to effectively serve and contribute to the overall livelihood and well-being of Canadians.

Each year, **TAX RETURNS** must be filed by **JUNE 15TH** and all taxes owed must be paid by **APRIL 30TH**. Individuals who do not file or pay their taxes by these deadlines may be charged **INTEREST**.

It is also important to note what expenses are **TAX DEDUCTIBLE**. This refers to items such as school or medical expenses that can be repaid to you at a later date after filing your taxes.

The North Bay & District Multicultural Centre can assist you when it comes to better understanding Canadian income tax policies and filing tax returns. Many individuals also consult with professional accountants and financial planners when it comes to filing taxes since it can be a complicated process. You can see a list of banking institutions and tax return companies on [page 22](#).

You can read more about income tax and important tax tips on the CRA's website:
cra-arc.gc.ca/nwsrm/txttps/menu-eng.html.

- **Banking and Financial Institutions**

Canadian banks are federally incorporated and regulated under the Bank Act. It is important to have a Canadian bank account to **DEPOSIT** your income. This ensures the safety and security of your money and makes it easier to track your spending and savings. Basic bank accounts include a chequing account and savings account.

A **CHEQUING ACCOUNT** is for your day-to-day financial needs. This includes depositing and **WITHDRAWING** money, possibly using **DEBIT CARDS** to pay for purchases with available **FUNDS** in your account and making other financial **TRANSACTIONS**. Generally, there is no interest accrued on money stored in a chequing account.

SAVINGS ACCOUNTS are used as a place to deposit and store your money. This account generally **ACCRUES** interest to contribute to your **EXCESS INCOME**. Savings accounts are important to have when it comes to **BUDGETING**, **INVESTING** and being a smart consumer.

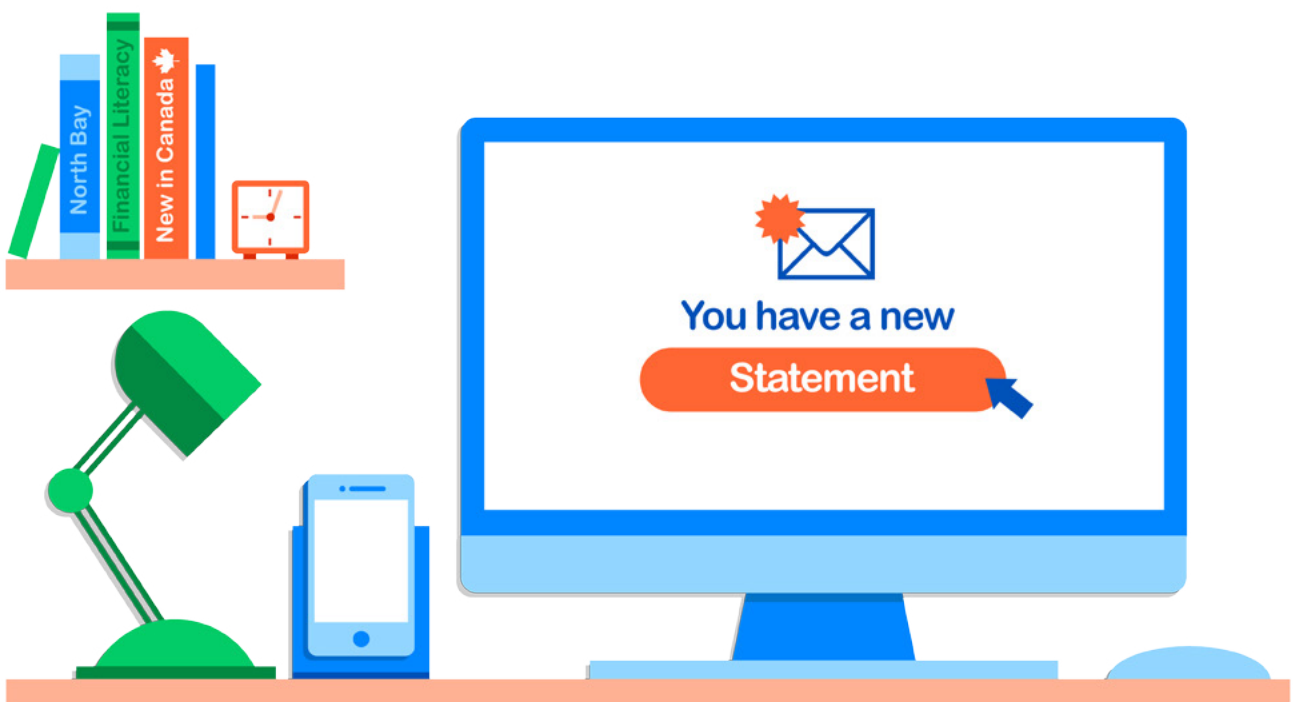


Most Canadian banks include benefits for specific users (i.e. discounts for seniors, youth and student rates etc.) and most allow for unlimited chequing transactions. However, depending on the type of account you have, going over a certain number of transactions may include a banking service fee. You can make certain transactions (deposits and withdrawals) using your debit card at an **ATM**, in-person at the bank and/or by signing up for online banking.

Online Banking

For convenience, most banks offer the option of online banking. This allows you to do your banking virtually from anywhere with Internet access (however, it is highly recommended to only use secure networks when doing online banking). With online banking you can check the status of your accounts, view monthly credit card statements, inquire about your credit, make payments and account transfers, pay monthly bills, view interest rates and even send money to others using an **E-MONEY TRANSFER**.

For a list of banking and other financial institutions, please see the resources section on [page 22](#).



■ FINANCIAL LITERACY - BEST PRACTICES

So now that you know the basics of smart consuming and how finances work in Canada, what are some of the things you can do to practice financial literacy? In this section you will learn more about how to budget and save, make responsible investments and understand how to establish and build positive credit.



● Budgeting

BUDGETING involves keeping track of your income and expenses in order to plan financially. A simple, monthly budget involves setting aside money for regular expenses (i.e. rent and bill payments, groceries, gas money etc.) and ensuring that you have enough income and savings to cover those expenses as well as any other non-regular or one-time expenses you may have to pay (i.e. purchasing tickets for an event that month, buying a friend's birthday present, going to a music concert etc.). By keeping track of your money in a detailed and realistic budget, you can plan ahead for future expenses, purchases and investments and start building savings. This will help you feel more secure financially by helping to form a clear outline of what you are able to afford and not afford during a certain time. This will give you control over your finances and can help you save towards more long-term goals.

● How to Budget

The first step in creating a realistic and easy-to-use monthly budget is to understand your income and to create a list of your fixed and variable expenses.

FIXED EXPENSES are your regular costs that do not typically change from month-to-month (i.e. rent and bill payments). **VARIABLE EXPENSES** include costs that do not necessarily stay the same every month (i.e. buying new clothes, eating out, buying tickets to an event etc.). Once you have a list of these expenses and a list of your sources of income, you can figure out your **BALANCE**.

Add up each of your sources of income and each of your monthly expenses, then subtract your total amount of expenses from your total income amount.

This will give you your monthly balance – if this number is a positive amount, congratulations! This means that you have been able to budget effectively in order to have a monthly savings. If this number is negative, it means that you have a **DEFICIT** (no savings for that month since you have overspent) and your budget will need to be adjusted.

While it is a good idea to try and keep your expenses to a set minimum amount to avoid being in debt, it is also important that your budget is realistic in order to be effective. This includes giving yourself a monthly **SPENDING ALLOWANCE** for certain variable expenses that you know you are more likely to incur.

It is also important, and a good idea, to set aside a monthly savings amount so that if you do happen to overspend, you have already put a portion of your income for the month directly into your savings account.

Below is an example spreadsheet of what a basic monthly budget could look like:

SAMPLE BUDGET:

Item	Amount	Notes
Rent	\$1,100.00	\$1,100.00
Bills	\$75.00	+ \$75.00
Transportation	\$141.50	+ \$141.50
Groceries	\$300.00	+ \$300.00
Clothing	\$75.00	+ \$75.00
Social/Leisure Activities	\$80.00	+ \$80.00
Miscellaneous	\$50.00	+ \$50.00
TOTAL	\$1,821.50	= \$1,821.50
INCOME	\$2,500.00	
EXPENSES	\$1,821.50	\$2,500.00 - \$1,821.50 = \$678.50
SAVINGS	\$678.50	

SAVING AND INVESTING

Saving is an important aspect of budgeting that can help lead you towards your goals and overall financial success. You can create a specific savings budget by

dividing the specific cost of the item you want to **INVEST** in by the amount of time you estimate you will need to save for (i.e. if it is October and you want to take a trip to Rome in April next year that will cost a total of \$3,000.00, you will need to save approximately \$500.00 per month for the next 6 months in order to have enough saved up to go). If you put money that you save into a savings account, you will also accrue interest that will contribute to your total overall savings.

● Types of Interest

There are different types of interest you can accrue with savings. These include:

- **SIMPLE INTEREST** - usually a percentage of the total amount you invest that gets added to your initial investment amount (i.e. the regular interest that is added to the amount in your savings account).
- **COMPOUND INTEREST** - interest that is calculated on the initial investment amount and also on top of the simple interest amount. Think of it as interest on interest (usually paid out by the bank on any funds that have been in a savings account for over a year period).
- **EFFECTIVE ANNUAL INTEREST RATE** - an investment's yearly rate of interest when compound interest is earned more often than once a year.

Interest rates will typically fluctuate based on current economic values and trends and it is always a good idea to discuss these rates, savings plans and account deposits with your bank or a certified financial planner.

● Investments

INVESTMENTS are **ASSETS** or items that typically increase in value over a certain amount of time and can contribute to your overall wealth and savings by either providing a form of future income or by being sold at a higher price than their original value.

Investments in the form of assets typically include big-purchase items such as a house, furniture or anything that is purchased with the intention of lasting long-term or being resold for a higher, **APPRECIATED** value. **MONETARY** investments include buying stock or real estate.

You should always consult with your bank and/or a professional financial planner when it comes to investing.

● Credit

Along with budgeting, investing and saving, it is also important to have a clear understanding of **CREDIT** and how it works in Canada. Many Canadians use credit as a way to make investments and other purchases. This is done using a credit card, which you can apply for at your bank or local **CREDIT UNION**. Common Canadian credit card companies include:

- Visa
- MasterCard
- Capital One

There are two basic types of credit:

- **REVOLVING** - refers to having a specific credit limit and only being able to access and use funds within that limit once the credit has been repaid (this is how most credit cards work with individuals having to pay off credit card bills on a monthly basis). Revolving credit also includes all forms of credit you have access to (i.e. if you have three credit cards, each with a \$10,000 allowance, you will have a total of \$30,000 in revolving credit).
- **INSTALLMENT** - refers to paying back a specific set credit amount at the beginning or end of every month (usually used for **LOAN** payments).

Credit card payments are usually required at the end of every month upon receiving your credit card statement. This statement outlines each of your purchases and displays your current **CREDIT LIMIT**. For late bill payments or for any purchases totalling an amount that goes over this limit, you may be charged interest.

While credit can give you greater financial freedom by allowing you to pay for items prior to actually having the money for them, it can be easy for some to develop a dependence on credit and end up overspending or going into credit card debt. That is why it is important to understand how credit works and be able to build positive credit history.

Credit History

CREDIT HISTORY refers to the record of repayments made by the credit user or borrower, often outlined in detail in the form of a **CREDIT REPORT** prepared by a credit card company and/or your bank. Credit reports outline the total



amount of money borrowed by an individual, displays how he or she used those funds and lists the specific sources where that money is owed and to be repaid. Most often, these sources include banks, credit card companies, governments or **COLLECTION AGENCIES**. Having a good credit report means that you are in good standing with those sources and therefore are often eligible to receive additional credit or an increased **CREDIT LIMIT**. This can make investing easier and, in turn, allow you to have more financial freedom and control.

How do you know if you have good credit?

You can receive a full and detailed credit report from your bank or credit card company, which will give you an accurate **CREDIT SCORE** and outline of your credit history. Most people who repay their credit card bills and loans on time and do not owe other forms of debt, typically have good credit. It is important to establish and build positive credit as this can affect future loans and other forms of credit you may need.

The best way you can start building positive credit is to keep track of your expenses and ensure your credit card and other monthly bills are paid on time. To make this easier, most financial institutions offer a setup of automatic payments on bills and other monthly expenses. To find out more, contact your financial institution or speak with a professional financial planner.

[The North Bay Skilled Newcomer Career Loan](#) is a great way to establish your Canadian credit history. Visit this site to see if you are eligible:

secure.cityofnorthbay.ca/CLPApplicationForm/EligibilityQuiz.

NOTE: A reminder that this guide is meant to provide a summary of several topics that may require more in-depth explanations. Connect with financial advisor or banking representative for further details.

● Loans

LOANS are similar to credit in that they allow you to make advance payments on items without necessarily having the available funds in your account. Like credit, loans work on the premise that money owed will be repaid in full by a specific period of time and usually operate at a limit or predetermined amount set by the bank (i.e. one can apply for a student loan of \$10,000.00 to help pay for classes with the promise of repaying this amount in full by the time of graduation). To apply for loans, one is expected to have an established and overall positive credit history. There are different types of loans one can apply for and usually recipients of a loan are chosen based on meeting specific eligibility criteria and credit history.

● North Bay Skilled Newcomer Career Loan

Designed to help newcomers to North Bay and the surrounding area upgrade their current professional credentials, the [North Bay Skilled Newcomer Career Loan](#) allows skilled newcomers to get back to work in their field while living in the district of Nipissing. Offered through the North Bay & District Multicultural Centre, this program aims to help newcomers get settled in the community.

Terms of the Loan

The following are conditions of the North Bay Skilled Newcomer Career Loan:

- Eligible participants can receive up to \$5,000.00 to help get them started that is paid back over three years
- 7% flat-rate interest over three years
- Interest-only payments within the first year
- No program fee
- Post-dated cheques are required
- No Canadian credit history check

Eligibility Requirements

In order to be eligible, you must fit the following criteria:

- Be a resident of the District of Nipissing (Permanent Resident, Citizen or Refugee Status)
- Trained outside of Canada (attended school outside of Canada)
- Have previously worked in your field in another country
- Have good English skills (CLB level 7) or plan to upgrade them in your work plan
- Know what is required of you for work in your field in Ontario
- Know that your field is reasonably in demand in the District of Nipissing.
- Show that you are incapable of paying for upgrade courses on your own
- Agree to repay the loan with full interest within the time frame
- For further information visit the North Bay Skilled Newcomer Career Loan [website](#) and take the [eligibility quiz](#).

You are encouraged to speak with a representative at the [North Bay & District Multicultural Centre](#) as well as a professional financial planner to find out more about what kinds of loans are right for you.

● Debt

It is important to also understand debt, especially if you are considering applying for and taking on a loan. Simply put, **DEBT** is money that is owed or due. Credit is a form of **GOOD DEBT** - using money that is borrowed in order to help establish and grow your financial health based on affordable repayment plans. **BAD DEBT** occurs when you take on more expenses or credit than what you've saved for and therefore are not able to make the appropriate repayments. This kind of debt can take a toll on your budget and severely impact your life and financial future.

Avoiding Bad Debt

Keeping track of your expenses, setting aside money to invest and save, and creating realistic budgets can help you prevent bad debt. While credit cards can be useful, they should be used carefully to avoid accumulating any kind of increasing debts that can become bad debts. It is important to always keep reminders for when bills are due and to pay them on time. By setting up an automatic payment plan as well as automatic deposits to a savings account, you can ensure you have enough funds set aside to keep track and pay off any debts.

Repaying Bad Debts

Even the most careful consumer can sometimes still incur bad debt. If this is the case, the following steps can help you in paying off your bad debts to get you back on track to good financial health:

- **STOP USING CREDIT** - avoid relying on forms of credit that can contribute and lead to further debts.
- **COLLECT ALL OF YOUR DEBT INFORMATION IN FULL** - having a clear outline of what you owe, by which date and to who, can help you organize your finances and prioritize payments.
- **ADJUST YOUR BUDGET TO FACTOR IN REPAYMENTS** - create a realistic budget, timeline and payment plan for clearing your debts.
- **TALK TO A CREDITOR AND/OR A FINANCIAL PLANNER** - getting a second opinion about how to pay off your debts can help you form an effective payment plan. This can also help you by allowing you to pay lower interest rates and by consolidating loans. You can also visit the Community Counselling Centre of Nipissing. They can provide you with credit counselling at no cost.
- **SET S.M.A.R.T. GOALS FOR REPAYMENT** - creating a realistic payment plan can help you by focusing on the most time sensitive and/or largest debts to pay off first.

- **STICK TO YOUR PLAN** - paying off bad debt is a step-by-step process that takes time. By sticking to a payment plan and only making slight necessary adjustments, you'll stay on track for paying off your bad debts and creating a responsible budget for future spending.

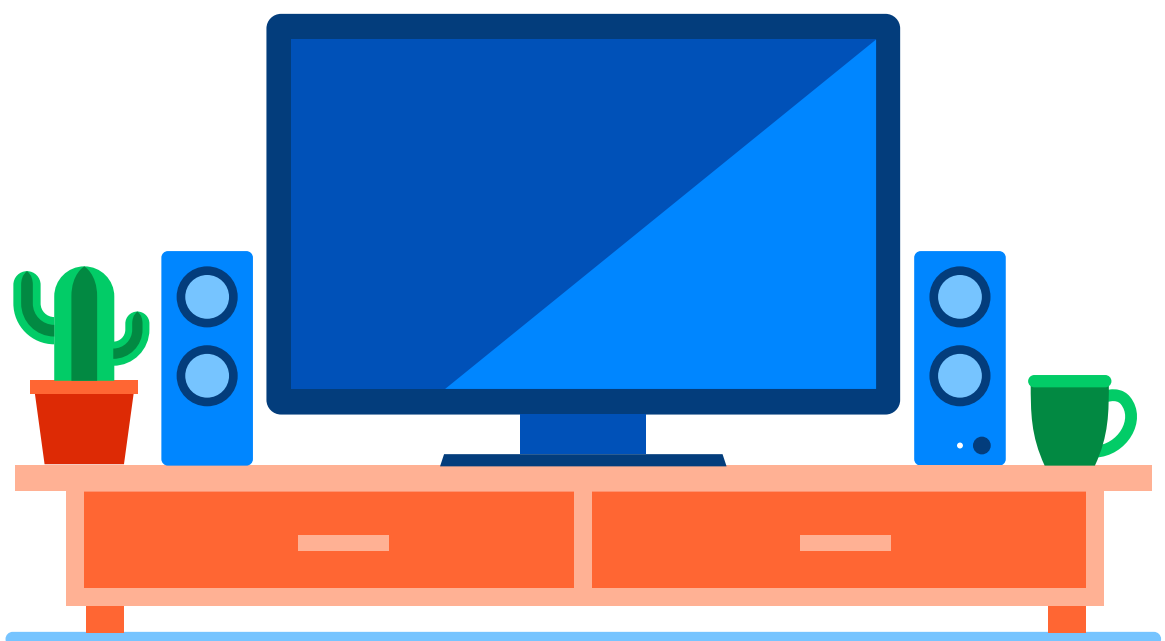
TIP: International credit does not transfer over once you are in Canada.

NOTE: A reminder that this guide is meant to provide a summary of several topics that may require more in-depth explanations. Connect with a financial advisor or banking representative for further details.

■ FINANCIAL LITERACY AND THE MEDIA

It is very important to be **MEDIA LITERATE** as well as financially literate. Marketing and advertising can be an issue, as they can exaggerate facts. While advertisements are great for letting you know what is available to you, you should always make your purchasing decisions based on your needs; do not let advertisers influence what you buy.

NOTE: Connect with your banking institution to find out which consumer report is best suited for your needs.



■ CONCLUSION

The City of North Bay has lots to offer newcomers and we hope you will enjoy living here!

The North Bay & District Multicultural Centre is a great resource to learn more about North Bay and the surrounding area and to find out about community events, clubs, available services, career and volunteer opportunities.

When it comes to being financially literate, it is important to set S.M.A.R.T. goals and think carefully on big financial decisions. It is also key to practice smart consuming and to plan ahead by creating and maintaining monthly budgets. Keeping track of your income, savings and expenses and making responsible choices when it comes to credit and investments, understanding credit and credit history are all part of being financially literate.

The North Bay Skilled Newcomer Career Loan is a great way for individuals who require additional support and training to get started with work in their field in Ontario. This program can help make the transition process of starting a new career or returning to work in your field easier. It is also a great way for newcomers to advance professionally and learn more about continuing education and pursuing professional interests in Ontario.

We hope you have found this guide useful and will continue to use it as a reference for getting started financially in North Bay.

■ ADDITIONAL RESOURCES

Below are additional resources of Canadian financial institutions that can help get you started and settled financially:

● Canadian Chartered Banks

The Royal Bank of Canada (RBC): www.bcroialbank.com/personal.html

Scotiabank: www.scotiabank.com/ca/en/0,,2,00.html

TD Canada Trust: www.td.com/about-tdbfg/our-business

Bank of Montreal (BMO): www.bmo.com

Canadian Imperial Bank of Commerce (CIBC): www.cibc.com

● Other Financial Resources

Caisse Populaire: www.caissealliance.com

Desjardins: desjardins.com

BDC: www.bdc.ca

Northern Credit Union: www.northerncu.com

National Bank Financial: info.nbfinancial.com

Alterna: www.alterna.ca

● North Bay Community

North Bay Immigration: www.northbayimmigration.ca

North Bay & District Multicultural Centre: www.nbdmc.ca

Community Counselling Centre of Nipissing-Credit Counselling:
www.cccnip.com

GLOSSARY

ACCRUE - refers to the accumulation of money (usually interest) that is either payable or receivable.

APPRECIATED - an increase in the value of an asset over time.

ASSETS - items that typically increase in value over a certain amount of time and can contribute to your overall wealth and savings by either providing a form of future income or by being sold at a higher price than their original value.

ATM - automated teller machine; a way for individuals to withdraw money from their bank accounts using a debit card.

BAD DEBT - a debt that occurs when you take on more expenses or credit than what you've saved for and therefore are not able to make the appropriate repayments

BALANCE - add up each of your sources of income and each of your monthly expenses, then subtract your total amount of expenses from your total income amount.

BENCHMARK - a point of reference in comparing and assessing things.

BUDGETING - an estimation of income and expenses over a certain period of time; a key part of financial literacy and planning.

CANADIAN PENSION PLAN (CPP) - a deduction on most pay stubs that sets aside a certain amount of funds to provide a basic retirement income for a person after they retire from working.

CHEQUE - a form of currency that is dated and signed by an individual giving banks the permission to pay a certain amount of amount to another individual or business.

CHEQUING ACCOUNT - a type of bank account used for day-to-day financial needs.

COLLECTION AGENCIES - a company hired by a bank or other money lender to recover funds that are past due.

COMPOUND INTEREST - interest that is calculated on the initial investment amount and also on top of the simple interest amount. Think of it as interest on interest (usually paid out by the bank on any funds that have been in a savings account for over a year period).

CONSUMER - someone who purchases goods or services.

CREDIT - the use of borrowed funds to pay for an expense on the condition that these funds will be repaid at a future date.

CREDIT HISTORY - refers to the record of repayments made by the credit user or borrower, often outlined in detail in the form of a credit report prepared by a credit card company and/or your bank.

CREDIT LIMIT - refers to the amount of money a person is able to borrow on credit; limits can be increased if the individual has a positive credit history.

CREDIT REPORT - a document that outlines an individual's credit history and current credit standings.

CREDIT SCORE - a statistical expression used to reflect an individual's credit history; used by lenders to determine the likelihood of an individual's ability to repay his or her debts.

CREDIT UNION - a type of financial institution that acts in the same way as a bank, but is specific to serving a specific neighbourhood; member-owned and operated.

DEBIT CARD - a card that corresponds to specific accounts an individual holds with a bank (given by the bank); a form of electronic payment that gives individuals access to the money they have in the bank.

DEBT - refers to borrowing money or the amount of money a person owes another individual or business.

DEFICIT - an excess of spending, that outweighs the money that is being made (or expected to be made) in a set period of time.

DEPOSIT - to put money in an account.

DEPRECIATED - a decrease in the value of an asset over time.

E-MONEY TRANSFER - an electronic transfer of money from one account to another.

EFFECTIVE ANNUAL INTEREST RATE - an investment's yearly rate of interest when compound interest is earned more often than once a year.

EMPLOYMENT BENEFITS - extra offerings outside of your regular income that you may receive from an employer (usually includes things like coverage for health and dental care).

EXCESS INCOME - any additional money you make beyond your regular or primary source of income

EXPENSE - the economic cost of something; usually a purchased item.

FISCAL - refers to money and financial matters.

FIXED EXPENSES - regular costs that don't typically change from month-to-month (i.e. rent and bill payments).

FUNDS - a sum of money. Sometimes set aside for a particular purpose.

GOOD DEBT - using money that is borrowed in order to help establish and grow your financial health based on affordable repayment plans.

GROSS PAY - the total amount of pay or income you receive before deductions.

INCOME - the money a person receives on a regular basis in exchange for performing a type of work, providing a good or service.

INCOME TAX - a source of funds the Federal government uses to serve the public (pays for things like roads, schools, parks etc.); individuals are required to file an income tax return every year to determine whether or not they owe any more taxes to the government or alternatively, if they are eligible for a tax refund from the government.

INSTALLMENT - a sum of money that is due as part of a larger payment. Typically a regular, reoccurring payment that takes place over a set period of time.

INTEREST - the amount of money that an individual is charged for borrowing money (usually expressed as a percentage of a total amount). For savings, interest refers to the amount of money (expressed as a percentage of a total amount in a savings account) that can accumulate as excess income.

INVESTING - refers to the amount of money and time an individual puts into a specific project or endeavour.

LOANS - refers to the act of giving money or other material goods to an individual on the condition that he or she will repay what is owed.

MEDIA LITERACY - refers to the ability to access and analyze news and other information distributed through the media.

MONETARY - an adjective relating to money or currency. Commonly used to describe value.

NEEDS - purchases that are necessary for your life and well-being. This includes basic necessities like food, water, shelter and clothing.

NET PAY - the amount of income after deductions.

PAY PERIOD - the specific period of time a person is paid for their work (usually once every two weeks) outlined in a pay stub.

PAY STUB - a hardcopy or electronic document that employers are required to present to you with an outline of your income during a specific pay period.

POST-DATED CHEQUE - a cheque that specifies a certain date for money to be withdrawn on (i.e. if a cheque is post-dated for the first of the month, money cannot be withdrawn from the cheque's account on the day before).

PRIMARY SOURCE OF INCOME OR REGULAR INCOME - where a person makes most of his or her regular income (i.e. usually from one kind of full-time work).

REVOLVING CREDIT - refers to having a specific credit limit and only being able to access and use funds within that limit once the credit has been repaid (this is how most credit cards work with individuals having to pay off credit card bills on a monthly basis). Also known as a revolving line of credit or open credit.

SAVINGS - the accumulation of funds put aside for safekeeping (usually in a savings account) to be used for a specific future expense.

SAVINGS ACCOUNT - an account used for deposits as a place of safekeeping and storing. This kind of account typically accrues interest to contribute to your excess income.

SIMPLE INTEREST - usually a percentage of the total amount you invest that gets added to your initial investment amount (i.e. the regular interest that is added to the amount in your savings account).

SMART CONSUMER - refers to making well thought-out, intelligent decisions when it comes to purchases.

SPENDING ALLOWANCE - the maximum amount of money you can spend in a given time period. Used when trying to maintain a balanced budget or when working toward a goal.

T4 SLIP - a document an employer is required to provide that details a person's total pay (income) and deductions for the entire previous year; part of filing annual income tax.

TAX DEDUCTIBLE - refers to items such as school or medical expenses that can be repaid to you at a later date after filing your taxes.

TAX REFUND - money that the Federal government will repay you if you've overpaid on your taxes. Also known as a tax return.

TAX RETURN - the form that a person is required to fill out when filing his or her taxes - must be filed by June 15th with all taxes paid by April 30th. This term is also used for any money that is owed and repaid to someone who has overpaid on their taxes.

TRANSACTIONS - a financial exchange between a buyer and a seller or between a consumer and a bank account.

VARIABLE EXPENSES - include costs that are not necessarily incurred or stay the same every month (i.e. buying new clothes, eating out, buying tickets to an event etc.).

WANTS - purchases that are not necessary, but are nice to have. For example, a car, eating out at restaurants, tickets to a movie or sporting event etc.

WITHDRAWING - refers to taking out money from a bank account. Typically done through a bank teller or through an automated teller machine (ATM).