

Newcomer Finances

Instructor's Manual

Ottawa Community Loan Fund



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The **Ottawa Community Loan Fund** invests in people and the community by facilitating self-reliance loans and services through character-based lending. We believe everyone deserves a chance to make a living and a brighter future for themselves and their families.

Ottawa Community Loan Fund • Fonds d'emprunt Communautaire d'Ottawa
22 O'Meara St., Causeway Work Centre, Ottawa, ON K1Y 4N6 Tel: 613-594-3535 Fax: 613-594-8118
www.oclf.org

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Introduction

Accessing, understanding, and using financial services effectively are important components of economic security and successful integration into Canadian society. From day-to-day banking to income tax, investments, insurance, and government support programs, there is a wide range of knowledge and skills for newcomers to master. As an instructor in an adult language class or a settlement agency worker, you are ideally positioned to assist newcomers in making this transition.

But I'm not an expert ...

You don't have to be a financial expert to use this toolkit with your students. Each topic area comes with an overview of the subject for instructors as well as a set of materials to use in the classroom or one-on-one with students. The worksheets have been developed for lower-level English language students, since the resources available from other sources are not geared to this audience. They focus on the knowledge and skills needed to function effectively in the initial settlement period. Each topic area also contains references to materials available for higher-level language students and to online resources and calculators that can be used in the classroom.

Topic Areas

This toolkit introduces students to the key topic areas identified in a newcomer financial literacy needs assessment. There are many other aspects of financial literacy that are of interest to newcomers, and we hope to expand this toolkit to add to these topic areas and to include other topic areas in the future. We'd appreciate your help in contributing your suggestions for other aspects to include, issues that your students are confronting, and good resources or classroom activities to add to the toolkit.

Newcomers and Financial Literacy

Newcomers are a diverse group with a wide range of needs. Some are coming from countries with similar financial systems; they are looking for the English words for familiar concepts and financial products as well as an orientation to the differences between the system in Canada and the one to which they are accustomed. For example, cheques are widely used to pay for all kinds of purchases in some countries, while debit cards and credit cards have taken over that role in Canada.

Other newcomers come from places where finances are handled very differently, where banks play a smaller role in everyday financial transactions and there is a greater reliance on informal lending networks and on other ways to transfer funds, such as by mobile phone. These newcomers require more familiarization with the ways in which finances are conducted in Canada so that they can take advantage of better ways to handle everyday transactions (for example, using direct deposit to avoid holds on cheques).

They benefit from a step-by-step explanation of what to consider when selecting a bank or how to open an account. Understanding how the financial system works also allows them to build the connections with financial institutions that help them to gain access to other products and services over time.

Newcomers also need to find out about financial products and government programs that may not exist in other countries, such as RRSPs (Registered Retirement Savings Programs) and the Canada Learning Bond program. They require an understanding of their rights and responsibilities with regard to finances, such as cashing a government cheque free with appropriate identification at any bank or the legal obligation to pay income tax. They also need to understand the ways in which products in Canada are marketed to appear as though they are less expensive, or with fine print that can entangle people in debt. Those with lower English language or literacy skills require materials geared to their level and instructors who can work with them to find answers to their questions.

The path that newcomers have taken to Canada also has an impact on their financial literacy needs and interests. Some newcomers have relatives or friends who can help them to navigate the financial system (although misconceptions and lack of knowledge about some products and programs may be an issue). Some have had years to research their move to Canada, and arrive with a good general knowledge; they may even have opened a Canadian bank account before arrival. Newcomers with substantial financial assets can access financial advisors to aid them in their initial orientation to the system here.

Other newcomers have been uprooted by conflicts in their country of origin and arrive in Canada with little preparation. They may enter Canada as refugee claimants or as permanent residents sponsored by the government or by a group of Canadians, such as a church group. They may have few people or resources to rely on to help them in their settlement phase, and may be dealing with significant health issues and feelings of loss. Some have spent prolonged periods in transit or refugee camps and may be preoccupied with the safety of family and friends left behind in dangerous conditions. These newcomers face greater challenges in mustering the energy and focus required to deal with the multiple demands of language learning, settlement issues, and family life. Some may be relying on young family members who have gained a level of fluency in English to navigate through the complexities of life in Canada and act as interpreters.

The initial settlement phase is a difficult one for most newcomers, with unexpected stresses and challenges. However, newcomers have proven themselves to be resilient and capable individuals. It takes courage and determination to move to a new country. Financial literacy is just one of many demands on newcomers, and they are not the only ones struggling to sort out the increasingly complex array of financial services and products on offer. By assisting newcomers with this crucial area of settlement information and skills, instructors can provide relevant lessons that engage learners and ease their transition to life in Canada.

Using the Toolkit

The toolkit allows you to select topic areas in response to the needs of your students as they arise, or to proceed through the toolkit topic by topic. We have included a simple needs assessment sheet on page 1 of the Banking Worksheets for you to use with your students if you wish.

Each topic area has:

- an **overview** to give you the context
- a set of **suggested activities** for beginner, intermediate, and advanced students
- **worksheets** that inform students about the topic area
- **sources of materials and resources** for more advanced language learners, as well as online calculators and other tools

There are **worksheets** for each part of the topic (for example, *Banking in Canada*, *Opening a Bank Account*, *Cashing a Government Cheque*). Most of the worksheets give information about the topic, while others contain exercises where students put their knowledge into action. You can use the worksheets in any order, although the vocabulary and concepts are introduced in sequence.

As well, there are short **personal stories** in some of the units that demonstrate financial issues for newcomers. They are a useful way of presenting an issue and talking about options since many people are reluctant to discuss financial issues, especially in a group setting. Using stories allows people to put forward their ideas and questions in a neutral way (talking about the person in the story rather than themselves) and to share only the information they wish about their own situation.

While you are working on a topic, some students will talk about their own experiences or things that they have heard from others. This input can be very valuable in helping other newcomers, but there is a possibility that the information is distorted, dated, or not applicable to another student's situation. If in doubt, check their information with the sources listed in this manual. The information in this toolkit is accurate as of March 2009.

There are important financial literacy areas that are not included in this first edition of the toolkit, such as budgeting. The **Other Topics** section will help you to find information on several topics not included in the toolkit, if they are relevant to your students.

As you use this toolkit with your students, you may find that you would like to connect with others in the area of financial literacy. The **Canadian Centre for Financial Literacy**, a newly-launched initiative (www.theccfl.ca), has a community area on its

website for financial literacy practitioners to share resources, stories, tools, and best practices. There are also resources for ongoing professional development.

Needs Assessment

The level of needs assessment that you choose to carry out may depend on whether you are beginning a unit or hosting a workshop on finances in Canada or just responding to a question that has arisen. Depending on the newcomers, some topic areas will be more relevant to their current situation than others. As well, their level of knowledge about finances in Canada may vary with their length of time here, their language and literacy levels, and their level of personal involvement with managing their finances (as opposed to having someone else in the family dealing with financial matters). A needs assessment will allow you to gain a better understanding of their current knowledge and interests.

You may find as you progress through the material that other needs are identified as people have their initial needs met and become more aware of new areas in finance. As well, some of the material deals with areas that may not be readily identified by students, such as financial fraud, the high cost of some credit products, and misleading advertising. This information is important for newcomers, even if it is not identified in your needs assessment.

The needs assessment could be as simple as an initial discussion around personal finances to identify areas of interest. You could also use the ranking sheet on page 1 of the Banking Worksheets. Higher-level language students can put a number beside each of the topic areas, with number one representing the topic that they are most interested in addressing. With lower-level language learners, you may wish to do the ranking activity as a group, or to begin with the Banking unit and identify other needs as they arise in the discussion.

Suggested Activities

The suggested activities in this section have been developed to assist instructors in using the toolkit with students at a range of levels. Each topic area in this section begins with **background information** for instructors, followed by a set of **activities** to introduce the topic to students and to aid them in understanding key concepts. Instructors should also read through the **worksheets** on each topic area, since many of the worksheets focus on information about the topic.

Overall Activities

These activities can be used with any of the toolkit topic areas. It is especially advantageous for beginner students to use the same type of activity in various units since they will become accustomed to the format, allowing them to focus on the new content rather than the requirements of the task.

Adapting the Materials

The worksheets are appropriate for CLB¹ 4 and above in reading (or CLB 3 with additional instructor support). If your students are at CLB 4 or above in listening but have lower reading levels, consider using the worksheets with oral review in class or taping the worksheet contents to provide extra support for students. If some of your students have strong aural skills and others are at lower levels, consider forming small groups so that stronger students can assist lower-level students, either in English or by providing some first-language support to explain concepts. If your students are all at lower benchmark levels for listening and reading, consider adapting the worksheets by reducing the amount of text, using the Word versions of the worksheets. An example of an adapted page can be found on page 31 of the Banking worksheets. There are also specific suggestions within the topic areas below for adapting activities to lower-level language students.

Vocabulary and Grammar Exercises

The Word versions of the worksheets can be used to create fill-in-the-blank exercises for vocabulary or grammar reviews. As well, instructors can use the suggested activities below to demonstrate a related grammar point (such as formulating questions or using prepositions). Students can also match flash cards with new vocabulary and definitions, pictures, or real items (for example, matching *deposit* and *put money in*). Students can be

¹ CLB refers to the Canadian Language Benchmarks level. For more information, see the Centre for Canadian Language Benchmark's website at www.language.ca.

given one flash card each, and asked to find the student with the word or definition that matches the one on their card, or to find students with related words (for example, words about home insurance versus words about life insurance).

Reading and Writing Exercises

Beginner students can work together with the instructor to record their experiences on flipchart paper. These stories can then be transferred to a worksheet to use in reading practice. They can also be cut into strips and students can work individually or in pairs to recreate the story. Intermediate and advanced students could write about their experiences prior to coming to Canada and after their arrival. They could compare the advantages and disadvantages of the ways in which financial matters are handled in their country of origin and in Canada.

If someone in the class tells a story that contains valuable information for other newcomers, the class could work together to write a personal story (names can be changed) to share with other classes. Students can also use their personal experiences or the materials in the worksheets to create a newspaper advice column, talk show, or news bulletin for newcomers on financial matters in Canada. Since financial issues are very topical, advanced students could use news sources such as the CBC website to watch newcasts online or listen to a podcast. They could also bring in newspaper articles about financial issues to share with the class.

The City

There is an online financial teaching tool from the Financial Consumer Agency of Canada (FCAC) called **The City** (www.themoneybelt.ca/theCity-laZone/eng/login-eng.aspx). On this website, you will find lesson plans, overheads, and a wealth of sample documents such as bank statements and credit card statements, presented through the stories of young adults. Advanced students can complete online modules as well.

Banking

In this toolkit, we cover banking functions under several topic areas: **banking**, **credit**, and **investments**. Depending on the needs of your students, you can select pages from each of the topic areas to build your own unit on banking, or work your way through the topic areas as they are presented. You can also use a page or two in response to a specific question that arises.

Many of your students will have experience with banking systems that are similar to the Canadian system in the kinds of products and services on offer. Their needs will likely focus on learning new vocabulary and becoming oriented to the similarities and differences between their past experiences and the Canadian banking system. Some of the services that are commonplace here (such as direct deposit or direct payment) may be

new for these students. Familiar products may be used differently here, such as the use of void cheques to provide bank account information.

Other students may not be familiar with a similar banking system, perhaps because banking functions are done differently in the places they came from, because they have spent prolonged periods in refugee camps or other locations where services didn't exist, or because someone else in their family dealt with finances. The worksheets have been designed with these students in mind, to help them sort out which banking products and services would be valuable for them, how to use these products and services, how to minimize their banking expenses, and where they need to be careful to protect themselves from fraud.

Information for **higher-level language students** (CLB 7 and above) is available from several sources. The Financial Consumer Agency of Canada (FCAC) has information pamphlets about banking services that can be downloaded from the site (www.fcac-acfc.gc.ca) or ordered online. Other good sources of information about financial services for higher-level language students include the Personal Finance section of the Consumer Information on Settlement.Org (www.settlement.org/site/CI/personal_finance.asp) and the Canadian Bankers Association website (www.cba.ca), in the 'banking basics' section. The CBA also has a youth site at yourmoney.cba.ca, where you can book a guest speaker from a local bank to make a non-commercial presentation on key financial concepts. The City is an excellent online resource for advanced language students at www.themoneybelt.ca. While it is geared to a youth audience (ages 15-29), there are practical materials for students of all ages and resources for teachers.

The banking unit also includes an online **practice bank machine** and **direct payment (debit card) machine** for students to become familiar with the steps in doing withdrawals, deposits, transfers, bill payments, and account balance inquiries, as well as with using direct payment at retail outlets. The online practice machines are designed to be as close to real machines as possible. Of course, real machines vary in their vocabulary, layout, and steps in performing transactions, so students will need to be ready for those differences when they go to their own bank machine. This manual gives a list of important information to cover with students about using real machines.

Suggested Activities

Ask the students about their experiences with banking. Are banks here similar to the ones they have used before? Do people store money and pay bills differently? Do the students have a bank account here? Did they set it up themselves or did someone help them out? What is easy for them about banking and what is difficult? What would they like to know more about? With beginner English students, use real money, cheques, and bank cards to start the discussion.

Look around the neighbourhood. Which banks, trust companies, credit unions, or caisses are nearby? Near their home? How many students would use mainly online banking, telephone banking, or bank machines?

Ask at one or more of the neighbourhood banks for a blank passbook, cheques, cheque register, and money order to use as examples.

The Financial Consumer Agency of Canada (FCAC) has a DVD about cashing a Government of Canada cheque and about opening an account, which comes with a trainer's guide. To receive a copy, send an email request to Lyse Laramée at lyse.laramee@fcac-acfc.gc.ca. While the language level and speed of delivery is suited to upper-level language students, you could also use it to familiarize the students with the process of cashing a Government of Canada cheque or opening an account and as a basis for role-plays.

Banking in Canada

The first worksheet addresses some of the reasons why newcomers may not have bank accounts as well as the advantages of a bank account. Some newcomers may have a distrust of institutions or have false information about the requirements for opening an account. Others may have linguistic or cultural barriers (such as the Muslim prohibition on paying or receiving interest). Banks may also not be (or be seen as) welcoming places where they will be treated with respect. However, newcomers operating in cash are vulnerable to theft and may even be specifically targeted if their preference for cash is known.

There are high costs to **fringe financial services**; for example, the use of cheque cashing stores adds a hefty price to transactions (as of July 2008, cashing a \$500 cheque at Money Mart cost \$17.94). In a 2006 study, 40% of people using cheque-cashing stores did not know that the fees were higher than those charged by mainstream financial institutions for cashing cheques. Some of the reasons for using cheque-cashing stores (friendly staff, convenient location, longer hours, no holds on cheques) may still lead people to pay the extra fees; however, newcomers may not be aware of direct deposit options that would eliminate holds on their funds while saving considerable costs. As well, by establishing a relationship with a financial institution, newcomers can gain access over time to other services and products that can save on costs, such as a line of credit.

Newcomers may come from places where banks failed and people lost their savings, so the information on **deposit insurance** may be important to build their trust. The federal government provides deposit insurance up to \$100,000 for loan companies and trust companies that take deposits, as well as for most chartered banks in Canada. Canadian branches of foreign banks are not covered by deposit insurance, and there are a few chartered banks that are not covered either. For a clear explanation of what is covered

and what is not covered by deposit insurance as well as a list of banks that are covered by deposit insurance, go to www.cdic.ca. The amount of deposit insurance for accounts at credit unions and caisses varies from province to province. Some of the provinces insure all of the money in accounts (except for investments like mutual funds), while others have a ceiling (ranging from \$100,000 to \$250,000) on their insurance. You can find information about provincial deposit insurance at www.financeprotection.ca or from the deposit insurance agency for your province or territory.

Cashing a Government Cheque

In two surveys of Canadians who used cheque-cashing services, between 25% and 33% of the users were cashing federal government cheques that they could have cashed free at any bank. The list of identification required to cash a Government of Canada cheque is included on pages 29-30 of the Banking worksheets. Since it is long and complex, it could be used as an overhead, as a reference for the instructor in a discussion with the students, or as a handout. Some banks have the list of ID they will accept on their websites.

Role-play cashing a government cheque. Beginner students could develop a script together on the board for the teller and customer. The first time through the role-play, the instructor plays the teller. Then the students could practice in pairs, switching roles after five minutes.

Intermediate and advanced students could begin by watching the FCAC DVD and then conduct their own role-plays. With intermediate students, pause the DVD frequently and have the students summarize the conversation. Before the students try their own role-plays, it may be helpful to have the class work together to list the points that should be covered. The first time through the role-play, the customer succeeds in cashing the cheque. When they switch roles, the teller refuses to cash the cheque and the customer asks for the complaint process.

Special Services

Banks offering special packages for newcomers have these advertised on their websites. Usually there is a time limit (for example, three years after gaining permanent resident status) to qualify for the newcomer package. Some useful links:

www.rbc.com/canada/index

www4.bmo.com/personal/0,2273,35649_15500850,00.html

www.cibc.com/ca/newcomers/index

scotiabank.com/mcben/cda/content/0,1679,CCDmcben_CID2833_LIDen_SID124_YID29,00.html

www.tdcanadatrust.com/ (see 'communities')

www.icicibank.ca/personal/crossborderbanking/helloCanada.htm

www.hsbc.ca/1/2/en/personal/chequing-savings/hsbc-passport
www.desjardins.com/en/particuliers/clienteles/nouveaux_arrivants/

Other banks, credit unions, and caisses may have special programs too.

There have been a few small programs in Canada with financial institutions offering sharia-compliant mortgages or home insurance, but these have been very limited.

Choosing a Bank

Ask the students what factors (such as location, fees, other services) are important for them in choosing a bank. For beginner students, it may be helpful to list the factors on the board and have them choose which ones are the most important for them. The FCAC has an excellent online tool that provides an up-to-date list of bank account options. With beginner and intermediate students, select a person (a character in a story you read together recently, a famous person, or an instructor) and have the group work together to decide what factors are most important for that person in choosing a bank. Advanced students could work in small groups to choose a person and decide on what factors are important for that character.

Then go to the FCAC's online tool under Interactive Tools at www.fcac-acfc.gc.ca/eng/consumers/ITools/default.asp and select the tool, "Which bank account is right for you?" (You could talk about the convention of using a piggy bank as a symbol of banking or savings, since it's used frequently in financial information). Work through the tool together to see which bank accounts suit their character's requirements. Beginner and intermediate students could watch you navigate the tool and provide the input, while advanced students could work in small groups. If there are too many options, use the "compare" feature on the right-hand side of the table to select three or four packages for comparison, and work with the table that is generated when you hit the *compare* button at the top.

Print off the chart of bank account options. With beginner students, you could show them how information is presented in the table and walk them through the options, discussing which one they would choose for their character. Intermediate students may also need an explanation of how to read the table. They could work in small groups to answer specific questions (which bank charges the lowest monthly fee, which one has the lowest cost per extra transaction, etc.) Each group could then choose an option and present it to the class with their rationale for selecting that option.

Advanced students could work in pairs to select an option and then present a roleplay to the class, with one student acting as a financial advisor to the other student. They could also work through the online tool again using other parameters, to see how their bank account options change. They could write an article for a newspaper, outlining what factors a newcomer should consider in selecting a bank.

Opening an Account

The list of identification required to open a bank account is included on pages 29-30 of the Banking worksheets. Since it is long and complex, it could be used as an overhead, as a reference for the instructor in a discussion with the students, or as a handout. Some banks have the list of ID they will accept on their websites.

With beginner students, the FCAC DVD can be used in an initial discussion of opening a bank account. With the sound turned off, pause the DVD frequently to look at the layout of the bank, the bank machine, where to wait in line for an available teller, where people ask for other services such as opening an account (the front desk), and how the teller takes the customer to another room to open the account. Students could then develop a script together on the board for the teller and customer. The first time through the role-play, the instructor plays the teller. Then the students could practice in pairs, switching roles after five minutes. The students can then watch the DVD again with the sound on, pausing frequently to talk about what is happening.

Intermediate and advanced students could begin by watching the FCAC DVD and then conduct their own role-plays. With intermediate students, pause the DVD frequently and have the students summarize the conversation. Before the students try their own role-plays, it may be helpful to have the class work together to list the points that should be covered. The first time through the role-play, the customer succeeds in opening an account. When they switch roles, the teller refuses to open the account and the customer asks for the complaint process.

Cost of Cashing a Cheque

This activity compares the cost of cashing cheques at the bank and at Money Mart. Print the 'cheques' from the Cashing a Cheque worksheet (page 28 of the Banking worksheets) to use as props for the activity. On the board, write Bank on one side and Money Mart on the other side. Explain to the students that Money Mart is being used as an example, but all of the cheque-cashing stores have similar rates. Take the cheque with the maple leaf (representing a Government of Canada cheque) to the Bank side of the board. Ask the students how much they will pay to cash the \$500 cheque there and write \$0 on the board. Take the cheque to the Money Mart side of the board and see if the students know how much it will be to cash it there ($\$2.99$ item fee + 2.99% of face value = $\$17.94^2$). Advanced students could be given the formula to work out the amount themselves.

Take the other cheque to the Bank side of the board. How much will it be to cash it in there? The answer depends on the bank – some have no-fee accounts (for example, PC Financial has no fees on any transaction), some charge between \$0.50 and \$1 per transaction, and some have low-fee accounts (\$4 or less per month) with free deposits.

² Money Mart fees as of July 2008

You could choose a bank to use as an example or give the range of costs. Money Mart will charge the same amount (\$17.94). Students could work out how many months of a low-fee account they can pay with the fee to cash one \$500 cheque at Money Mart.

Students could discuss why people choose to cash cheques at cheque-cashing stores instead of at banks (friendly staff, convenient location, longer hours, no holds on cheques). If holds on cheques are a major factor, then the worksheet on direct deposit would be useful.

Making a Deposit

With beginner students, look at the headings together to see what information is in the blank passbook. Work on an overhead or on the board to enter a few sample transactions into the passbook, showing where the information goes and explaining what the abbreviations mean. Intermediate and advanced students can work individually or in pairs to enter a few transactions into a photocopied page of a passbook. Explain to the students that they won't have to enter transactions themselves; this activity is just to understand the information in the passbook.

Using a blank cheque, show the students how to endorse a cheque safely. Demonstrate how to make a void cheque for direct deposit.

Pre-Authorized Debit

Use the story *Stop Taking My Money*. Talk with the students about Mohamed's problem. Explain that Mohamed's membership was a monthly agreement, since many gyms offer a special rate for a one-year membership, which cannot be cancelled after a few months. Write a cancellation letter together or in small groups. Role-play the scene at the bank between the teller and Mohamed.

Direct Payment

Many newcomers need an opportunity to practice making electronic payments in a safe environment, so we have designed a **practice direct payment machine**. Follow the link on the newcomer financial literacy webpage to the practice direct payment machine.

For beginner students, you may want to print the webpage showing the direct payment machine and make an overhead to introduce its layout and the functions of the various buttons.

To "swipe" the card, click on the card icon at the top right-hand side of the machine and you will see an animation of the card being swiped. Explain to the students that they do

the swiping themselves on most machines, although sometimes the cashier does the swiping. Students must enter the correct PIN number (1234) to complete the transaction. We are using this PIN so that students can remember it easily – please point out that it isn't a good PIN for their real account!

The list of transactions for students to complete is in the worksheets. The first transaction shows a basic payment at a store. The second shows a transaction where the store or terminal charges a fee for using direct payment, and the customer must decide whether to continue the transaction or to cancel it. The third transaction is at a restaurant, allowing students to enter a tip and then confirm the total amount. To enter the cents portion of the tip, you need to click in the cents box; please explain to the students that real machines do not require the user to do this. Students must complete each transaction successfully to move on to the next transaction.

For the first transaction, students can pay from either their chequing or savings account. For the other two transactions, they must pay from the account specified in the list of transactions on the worksheet, or they will receive a message that authorization is denied (simulating a situation where there are insufficient funds in an account). If you'd like to show the students that scenario, you can direct them to pay from the other account.

When the transaction finishes, a receipt appears. All transactions done in a session will show on the receipt. You can use the receipt to check the student's work or to see what went wrong with their transaction. The receipt information is available until the student hits the Exit button at the bottom left-hand side of the screen, ending that session.

Beginner students could watch you complete the transactions, and then try them in pairs or small groups. Intermediate students could work through the transactions independently or in pairs. Students could also roleplay a cashback transaction, with one student as the cashier and the other as the customer.

Additional points to cover about direct payment machines:

- Real direct payment machines have different layouts and buttons. They are all similar to the practice machine, but the function buttons (cancel, clear, OK/enter) can be in different spots on the machine.
- To select an account, some direct payment machines work the way that the practice machine does (with Chequing and Savings appearing on the screen). Some have coloured buttons near the screen with CHQ and SAV on them. Some have buttons with CHQ and SAV in other locations. The practice machine includes some CHQ and SAV buttons on the keypad so that you can show students this option, although they are not functional.
- On some machines, customers enter a cashback amount themselves, in the same way as the "tip" screen works in this practice machine. On other machines, the cashier enters the cashback amount.
- On some machines, the customer enters a percentage rather than an amount for the tip.

- If they cancel a transaction or it doesn't go through for some reason, they should make sure they get the transaction record.
- There is a new chip technology being implemented for Interac direct payment machines. The customer still does the same inputs as with the current machines, but instead of swiping the card, it is inserted into the machine and stays in the machine until the transaction is complete. You can show your students a Flash animation of the new process on the Interac website (www.interac.ca) by clicking on the chip technology demo, which shows the new process at direct payment machines, the gas pump, and the bank machine. The swipe method is still the most common one, so we have demonstrated that method with the practice machine.

Using Cheques

Use the blank cheques to demonstrate how to write a cheque. For beginner and intermediate students, start with an overhead or a large-scale photocopy of a cheque to show what information goes in which spot. Have students practice writing cheques for various bills. You can find sample bills for telephone, hydro, and other services on many company websites (for example, www.hydro.mb.ca/mybill/sample_bill.pdf). Beginner students can work from an overhead of the bill to find the information together, and then provide the information as you fill in a cheque on an overhead. They could then copy the information onto their own cheque. Practice writing a post-dated cheque as well.

Students could roleplay calling the bank to stop payment on a cheque and making a request for a certified cheque at the bank.

Money Transfers

Many newcomers send money to family members outside Canada (often called remittances). There are a huge number of systems for remittances, ranging from the wire services like Western Union to informal networks, and these options vary among and within countries and communities. Because there are so many possibilities, it is difficult to give concise advice, so this topic has not been included in the worksheets. If your students have questions about cost-effective low-risk ways to transfer money outside Canada, it may be best to call the local settlement agency to see if they can give some relevant advice. To find the nearest settlement agency, look on www.cic.gc.ca/english/resources/publications/welcome/wel-20e.asp.

Students could practice filling out a money order and roleplay asking for a money order at the bank. Interac has an online tutorial on email money transfers on its website at www.interac.ca/consumers/productsandservices_01_emt.php.

Checking Your Account

Go to the FCAC's online financial literacy resource, The City (www.themoneybelt.ca/theCity-laZone/eng/login-eng.aspx). In the In-Class Materials under *Savings and Banking Documents*, you can download a set of account statements. Some of the receipts related to the expenses in the account statements are available in the *Income, Expenses, and Budget* section documents. With beginner students, choose one statement and walk them through the format on an overhead or a large-scale photocopy. Talk about what receipts the person would need to keep in order to check the amounts on the statement. Show a sample receipt and have the class identify where that information is on the account statement using the date and description.

Intermediate students could work in small groups with an account statement to list the receipts that the person would need to keep in order to check the amounts on the statement. The group can then use the sample receipts to check the accuracy of the statement. Have each group tell the class what they know about the character from The City based on his or her account statement. Do they pay their bills on time? What kind of expenses do they have?

Advanced students can work individually with an account statement to reconcile it with the sample receipts. They can write a profile of their character, including their favourite foods, hobbies, family life, or any other information that can be inferred from their expenses. The students can then roleplay their character in a group setting, such as a restaurant.

Bank Machines

Many newcomers need an opportunity to try out bank machine transactions in a safe environment, so we have designed a **practice bank machine**. Follow the link on the newcomer financial literacy webpage to the practice bank machine.

There is a set of transactions for the students to complete in the worksheets. To begin the session, click on the card icon and you will see an animation of the card entering the slot. Students must enter the correct PIN number (1234) or they will receive a message to try again. We are using this PIN so that students can remember it easily – please point out that it isn't a good PIN for their real account!

To insert an envelope, click on the envelope icon and you will see an animation of the envelope entering the slot. For withdrawals, an animation will play of cash coming out of the machine. When the students choose to get a receipt, there is an animation of a receipt coming out of the slot, and then the receipt disappears. To see the receipt, click on the receipt icon. The receipt will show all of the transactions completed during the session. You can use the receipt to check the student's work or to see what went wrong

with a transaction if they had problems. The receipt is no longer available after a student ends the session by clicking on the exit button at the bottom left-hand side of the screen.

We have three companies in the Bill Payments section and a preset amount of money in the savings and chequing account. If the students enter the wrong amount and exceed this limit when making a transaction, they will receive a message that there are insufficient funds for the transaction. To enter the cents portion of any amount, you need to click in the cents box; please explain to the students that real machines do not require the user to do this.

If students enter a withdrawal amount that is not a multiple of \$20, they will get a message to try again. You may need to cover the concept of “multiples of \$20” with the students. There is a preset limit of \$400 for daily withdrawal; one of the transactions will ask the students to withdraw \$500 so that they can see what happens if they exceed their daily withdrawal limit. We have included a fastcash button, since some machines use this feature for preset withdrawal amounts.

The practice machine covers all of the basic operations of a bank machine. Students have the option to cancel any transaction or correct the amount. There are other messages that could appear on the screen, such as *out of service*. The most common of these are included in a worksheet so that you can review them with your students.

When **teaching the bank machine** to beginners, you may want to print a copy of the webpage to make an overhead for the introduction. Ask the students what they know about the bank machine (where the card goes in, how to do transactions, where the money comes out). Have the students watch you as you perform one of the transactions and explain what to do at each screen. Then repeat the transaction, with the students telling you what to do at each screen. Repeat again until the students can easily tell you what to do at each screen. Finally, have the students try out the transaction themselves, individually or in pairs. Then move on to the next transaction.

Intermediate students can watch you perform the transaction and then work through it themselves, either individually or in pairs. Have them show you the receipt before they end the session so that you can check their transactions.

Additional points to cover about bank machines:

- Real ATMs have different layouts and buttons. They are all similar to the practice machine, but sometimes the buttons have different words (like Enter instead of OK) and the function buttons (cancel, clear, OK/enter) are sometimes with the keypad and sometimes beside the screen. The words they will see won't be exactly the same and may not be in the same order.
- Some machines make a beeping sound when the customer should take the cash or the card out or insert an envelope.
- When the students go to their own bank to try the bank machine, it might help if they pick a time that's not busy at the bank, so that they won't have a long lineup waiting

behind them. They may want to bring along someone who can coach them through the process. They should ask that person to turn away while they enter their PIN.

- The first time that they use a different machine, they should take a minute before putting in their card to look for all the buttons they will need.
- If there is no fastcash button on their bank machine, they can access preset amounts using the withdrawal button.
- ATMs often have other messages on their screens, which could be confusing for lower-level students. The other messages (usually advertising for other bank services, such as RRSPs or mortgages) often appear at the top of the screen or while the machine is processing the transaction.
- Bill payments made after 3 p.m. and on weekends aren't processed until the next business day.
- On some machines, you need to lift a flap to get envelopes or to get to the deposit slot.

If there is a bank machine close to your location, visit it together. Look at where the card goes in, where the envelopes are, and where the function buttons are. Some banks have parts of their bank machine screens online, so you could look at those together and note the similarities and differences. The Desjardins website below has a Flash animation of its bank machine, so the students could try it out as well.

http://www.tdcanadatrust.com/ebanking/tdai_gm.jsp

http://www.scotiabank.com/cda/content/0,1608,CID8039_LIDen_00.html

http://images.desjardins.com/en/images/flash/demo_guichet.html

Telephone Banking

Students who use telephone banking frequently could offer tips for the other students.

For beginner students, record the telephone banking message for various transactions and then go through them in class, pausing after each instruction for the students to tell you what to do next. If you bring in a telephone handset (not connected), they can practice responding to the instructions using a fictitious account number and password.

For intermediate and advanced students, assign several telephone banking tasks to do at home, such as checking the balance in their account or paying a bill, and then have them report back in class on their experiences. Advanced students could design and record their own telephone banking messages.

Internet Banking

Ask the students about their internet banking experiences. Students who use internet banking frequently could offer tips for the other students.

While it would be ideal to practice internet banking together, it may not be appropriate for students to be logging into their accounts in a group setting. If all the students have access to the internet at home, you could assign several banking tasks and have them report back on their experiences. Some students may not have internet access, so this activity may not be appropriate for all groups.

Problems with Banking

There are two independent Ombuds services that investigate complaints from individuals and small businesses about products and services provided by bank financial groups. The objective of these services is to provide impartial and prompt resolution of complaints, and they are free of charge.

RBC Royal Bank customers should contact ADR Chambers Banking Ombuds Office at 1-800-941-3655 (www.bankingombuds.ca). All other complaints should be directed to the Ombudsman for Banking Services and Investments (OBSI) at 1-888-451-4519 (www.obsi.ca).

Ask the students if anyone has had a problem with a bank. If so, what happened to resolve the problem? Compare the steps taken with the steps on the worksheet.

Using the banking problem worksheet, cut the descriptions of the roles into strips. For beginner students, give all of the students the customer role, and have the instructor play the role of the bank representatives and the ombudsman. After each conversation, work together to write down the information that should be recorded (name, date, what was said, if part of the problem was fixed).

Intermediate students could work in small groups, with each group playing a role. Instruct the customer group to keep notes as they progress. Advanced students could work in groups of four, with each student taking a role. At the end of the activity, have the customers share their notes with the class, and compare what happened in each of the different groups.

Intermediate students could then work in small groups to design their own banking problem roleplay and act it out for the other students. Advanced students could work individually or in pairs to design their own banking problem. The instructor can then have students work in groups of four to act out one of their roleplays. The students can then write a newspaper article about how a newcomer dealt with a banking problem.

Credit

Credit is confusing to many people, not just those who are new to Canada. The range of options, complex terminology, and prevalence of ‘fine print’ make credit choices intimidating, especially for those with limited language or literacy skills. As well, there is often a significant element of negotiation involved in coming to an advantageous agreement on interest rates for loans and lines of credit. While many newcomers may be very familiar with this style of bartering around prices, it requires a high level of linguistic competency as well as a clear understanding of what is possible.

Poor credit choices can have devastating consequences, especially for lower-income people. The options that seem most readily available burden borrowers with exorbitant interest rates in addition to numerous fees and charges. Payday loan stores offer wire transfer services that are attractive to newcomers, and ensure their customers feel welcome and respected. In studies of payday loan customers, many were not aware that payday loans are significantly more expensive than other credit possibilities.

Another element of credit in Canada that may be unfamiliar to newcomers is the aggressive buy-now, pay-later marketing that promises an easy way to acquire goods without detailing the long-term consequences. Newcomers can benefit from a discussion of the truth behind ‘no payments, no interest’ and rent-to-own stores.

Differences between cultures can also lead to credit problems. For example, in some countries where credit cards are less common, it is a sign of wealth to have a credit card. Newcomers from these countries may be more inclined to acquire extra credit cards as a status symbol, without realizing the impact this may have on their credit rating.

In many countries, people use informal lending networks of friends, family, or work colleagues rather than formal loans. For example, six or seven co-workers pool a small amount of money from their salaries. Every month, the group gets together to see who would like to borrow the pot of money, with each potential borrower proposing how much interest he or she is willing to pay. The person who is prepared to pay the highest interest rate to the group is awarded the loan. As the money is repaid with interest, the pot is replenished for other borrowers.

Pre-paid cards have been included in the credit unit even though they aren’t a credit product, because they are similar in some ways to credit cards. Students should be aware that there are often significant fees for pre-paid cards, and they will not help newcomers to build a credit history, since they aren’t credit cards. They may be useful for some students who need to make transactions online or by telephone, but who don’t want to use credit or to have a card that charges interest.

Information for higher-level language students (CLB 7 and above) is available from several sources. The Financial Consumer Agency of Canada (FCAC) has excellent

information pamphlets about credit reports and credit products that can be downloaded from the site (www.fcac-acfc.gc.ca) or ordered online. Other good sources of information about credit for higher-level language students include Settlement.Org (www.settlement.org/site/CI/personal_finance.asp) and the Canadian Bankers Association website (www.cba.ca). There is an online resource for advanced language students on managing debt at the Office for Consumer Affairs (www.ic.gc.ca/eic/site/oca-bc.nsf/eng/h_ca02144.html). Part of that resource is an online calculator that you can use with the students to compare the real cost of borrowing options (<http://www.ic.gc.ca/eic/site/oca-bc.nsf/eng/ca01812.html>).

Suggested Activities

Ask the students how people manage large purchases, such as homes and vehicles, in their country of origin. How do they manage smaller amounts? How do they get money in an emergency? What are the differences here in Canada? Have the students had experience with credit in Canada? What have their experiences been, or the experiences of people they know? Is credit more important in Canada than in their country of origin? What would they like to know more about?

Have the students list the advantages and disadvantages of credit, or summarize the discussion above under those categories.

Credit History

Ask the students how they would decide to loan someone money. Would they only loan money to family? Close friends? Are there people to whom they would not give a loan? List the characteristics on the board under Good Risk and Bad Risk. Now ask them how they would decide if they were in charge of a bank. How would they know who is a good risk and who is a bad risk? Lenders in Canada use a person's credit history to decide how risky it is to give that person access to credit.

Have any of the students seen their credit report? Have they been turned down for a loan, a credit card, or an apartment because they lacked a Canadian credit history?

Use the FCAC publication *Understanding Your Credit Report and Credit Score*, which you can order from the website or download in pdf (www.fcac-acfc.gc.ca/eng/publications/CreditReportScore/CreditReportScoreTOC-eng.asp). Pages 3-6 show examples of TransUnion and Equifax credit reports, with explanations of the information contained in the reports. For beginner students, make an overhead of the TransUnion report or a large-scale photocopy. Show the students each section of the report and what it contains, to give them a sense of the information on file at the credit-reporting agencies. Do the students think this person is a good credit risk?

Intermediate students could be given an introduction to the reports through an overhead or large-scale photocopy, and then assigned questions to answer in pairs or small groups. The class can then discuss if they would give a loan to the people in the sample reports, and their reasons for their decision. Advanced students could also answer questions about the sample reports individually or in pairs, and then create their own credit report for a famous person or a fictional character. They could trade their credit report with another student, decide whether they would give a credit card to the person in the report, and write their decision and rationale.

Newcomer Loans

If you live in a community with an organization that provides loans to newcomers, visit its website to find out more about the criteria for loans, and share these with the students. The Ottawa Community Loan Fund, for example, has a set of ESL materials about its loan programs on its website for beginner, intermediate, and advanced language students.

Credit Cards

Begin with a discussion of the pros and cons of credit cards. What are the differences between the various kinds of credit cards? Would the students recommend that a newcomer get a credit card? Why or why not? Is there a limit to how many credit cards a person should have?

Statements and Cost of Credit

Go to The City's Credit documents for a set of sample credit card statements (www.themoneybelt.ca/theCity-laZone/eng/login-eng.aspx). With beginner students, use an overhead or large-scale photocopy to look at the format together and match the expense receipts from the *Income, Expenses, and Budgets* documents to the credit card statement. Explain that the character will pay interest on the balance if the statement is not paid in full by the due date. Calculate together how many months it will take to pay off the balance if the person only pays the minimum amount every month. There is an online calculator at www.creditcanada.com/debtCalc.asp to help with this calculation. Look at the difference between the cost of the items if you pay cash or pay the credit card balance in full on the due date, and the cost of the items if you pay only the minimum payment every month. You can also get sample statements from credit card company websites.

Intermediate students can work in small groups to reconcile the receipts with the credit card statement. They can then calculate how much interest they would pay on a \$100 purchase with a major credit card at 19% interest and with a retail card at 29% interest using the online calculator from Credit Canada. They can calculate together how many

months it will take to pay off the balance and how much more they would pay altogether for the item when paying only the minimum payment every month on both accounts.

Advanced students can perform the same calculations individually or in pairs. They can reconcile the receipts with the credit card statement of their character, and then work together in small groups to compare the credit management strategies of their characters. The class can then discuss which characters are managing credit well and what poor credit practices the other characters should change. There is a humorous 3-minute cartoon about how the use of credit cards can affect the cost of items at InvestorEd.ca (investored.ca/en/FeaturedTopics/Pages/get-it-on-credit.aspx).

Choosing a Credit Card

The FCAC has an excellent online tool that provides an up-to-date list of credit card options. With beginner and intermediate students, select a person (a character in a story you read together recently, a famous person, or an instructor) and have the group work together to decide what factors are most important for that person in choosing a credit card. Advanced students could work in small groups to choose a person and decide on what factors are important for that character.

Then go to the FCAC's online tool under Interactive Tools at www.fcac-acfc.gc.ca/eng/consumers/ITools/default.asp and select the tool, "Which credit card is right for you?" Work through the tool together to see which credit cards suit their character's requirements. Beginner and intermediate students could watch you navigate the tool and provide the input, while advanced students could work in small groups. If there are too many options, use the "compare" feature on the right-hand side of the table to select three or four packages for comparison, and work with the table that is generated when you hit the *compare* button at the top.

Print off the chart of credit card options. With beginner students, you could show them how information is presented in the table and walk them through the options, discussing which one they would choose for their character. Intermediate students may also need an explanation of how to read the table. They could work in small groups to answer specific questions (which credit card charges the lowest monthly fee, which one has the lowest interest rate, etc.) Each group could then choose an option and present it to the class with their rationale for selecting that option.

Advanced students could work in pairs to select an option and then present it to the class. They could also work through the online tool again using other parameters, to see how their credit card options change. They could write an article for a newspaper, outlining what factors a newcomer should consider in selecting a credit card.

Credit Card Application

With beginner students, use an overhead projector to fill in a credit card application from the mail or from a bank for a fictitious individual or a famous person. Have the class brainstorm answers to the questions. Demonstrate how the information is entered on the

form, with discussion of vocabulary and appropriate conventions. Students then complete the first page of the credit card application form with the information from the example.

Intermediate students can work in small groups to fill out the application form for a fictitious individual or a famous person. They can then switch application forms with another group and assess whether they would approve the credit card application. The groups could then have a meeting of the credit card approval committee, and present their decision on the application along with their rationale.

Advanced students can work individually or in pairs to fill out the application form for a fictitious individual or a famous person. They can then exchange applications with other students and work in small groups to rank applications from most to least creditworthy. They decide on a cut-off point and approve or reject the applications. As a class, the students can then discuss the factors that influenced their decisions.

Building a Credit History

Ask the students if they or someone they know has been successful at building a credit history in Canada, and how they did it. Experienced students could offer advice on what they learned in the process. The class could then work together on a list of tips for newcomers on building a credit history in Canada. Intermediate students could work in pairs or small groups to write questions and answers for a newcomer advice column, and advanced students could write a magazine article for newcomers. Students could also go Settlement.org to see what questions other newcomers are asking about building a credit history, and then provide answers for the questions.

Payday Loans

There is a *Cost of Borrowing* worksheet, presenting information from the FCAC's publication *The Cost of Payday Loans*. Is the relative cost of borrowing a surprise for the students? Have a discussion about the implications for people who take out a new payday loan to pay off the first loan, or who roll over the loan and pay a new set of fees. Advanced students could work in pairs to roleplay a television interview with a payday loan customer or a consumer advocate on payday loans.

Pre-Paid Cards

There is a *Pre-Paid Card* worksheet, presenting information from the FCAC's publication *Pre-Paid Cards*. Discuss the advantages and disadvantages of credit cards and pre-paid cards.

Instalment Sales

Bring in flyers from stores with credit by instalment, such as furniture, appliance, electronics, and hardware stores. Look together at the ‘fine print’ to see what the terms and conditions are. With the terms, there should be an example of how much the item will cost altogether and how much a customer will pay in interest and fees. With beginner students, fill out the *Instalment Sales* worksheet together, using an overhead or working on the board. Then students can transfer the information to their own worksheet. Do one example for intermediate students, and then have them work in small groups to complete the table. Advanced students can complete the table independently.

For intermediate and advanced students, you could tape a radio ad or a TV ad (some stores have their TV ads on their website) and listen to the terms and conditions, usually said very quickly at the end. Listen several times until you are able to write out the terms and conditions together.

Advanced students could take several flyers from the same kind of store and compare the costs of instalment payments for the same product, as well as the conditions. Which one is the best deal? How much more is the customer paying altogether in each case?

Rent-to-Own Contracts

The information on the *Rent-to-Own* worksheet is taken from the Office of Consumer Affairs website at www.ic.gc.ca/eic/site/oca-bc.nsf/eng/ca01813.html. Advanced students could read the Tips section and construct their own table comparing the costs. You can get flyers from rent-to-own stores and compare them with the costs in the worksheet. Would the students use a rent-to-own store? In what circumstances would a rent-to-own contract be a good idea?

Debt Problems

Discuss how the students manage when money is tight. What are their tips and techniques for reducing expenditures (cutting back extra services on the telephone, buying clothing at second-hand shops, etc.)?

Talk about the phrases that students can use in negotiating with creditors. Use the story *I can't pay* to develop a plan together for Xuan (pronounced ‘Swan’). What are her options? Which one would they choose? Roleplay Xuan calling the telephone company to explain her problem and propose her payment plan.

If the students have debt issues, you can refer them to a non-profit credit counselling agency. For example, Credit Canada in Toronto provides services in seven languages.

You could invite a guest speaker from a non-profit credit counselling agency to give a general overview of the services offered, which are likely to include help with budgeting as well as dealing with debt loads. If any of the students have overcome debt issues, they could share their tips with the other students.

Income Tax

This unit deals with the basics of income tax. Tax benefits and credits such as the Canada Child Tax Benefit and the Disability Tax Credit are covered in the unit on Government Support Programs.

Some newcomers are from countries with a similar income tax program, while others haven't encountered income tax before. Whether or not they are familiar with the concept of income tax, many newcomers are concerned that they might make a mistake on their income tax return. Others are wondering if they need to file an income tax return.

Information for higher-level language students (CLB 7 and above) is available from several sources. The CRA has a webpage dedicated to newcomers at www.cra-arc.gc.ca/tx/nmrsdnts/ndvdl/nwcmr-eng, which contains links to other relevant sections of the website. Copies of their information pamphlets can be downloaded or ordered from the website. There is also an Educators webpage with more resources about taxes at www.cra.gc.ca/educators. Settlement.Org also has a section on income tax (www.settlement.org/site/CI/personal_finance).

If your students would like to know how much they will pay in income tax, you can get the current federal and provincial tax rates on the CRA website at www.cra-arc.gc.ca/tx/ndvdl/fq/txrts-eng.html.

Suggested Activities

Ask the students about their experiences with taxes. Did they pay income tax in their country of origin? What are the differences here in Canada? Have the students had experience with filing income tax returns in Canada? What have their experiences been, or the experiences of people they know? What would they like to know more about?

Income Tax

For examples of pay stubs and T4 slips, go to the The City (www.themoneybelt.ca/theCity-laZone/eng/login-eng.aspx) in the In-Class Materials under *Savings and Banking Documents*. With beginner students, use an overhead to

show where the information is located on the pay stubs and T4 slips. Intermediate students can work in pairs to answer questions about the information on the form, such as how much income tax was taken off the gross pay. Advanced students can compare the pay stubs and T4 slips for Indigo and Luna. Why does Indigo have income tax deducted but Luna does not?

Maria's Story

How many of the students have worked in Canada? How many are employees or self-employed? Have they heard of stories similar to Maria's story?

Who Pays Income Tax?

There is some confusion caused by the different ways that the Canada Revenue Agency (CRA) and Citizenship and Immigration Canada (CIC) use the term "resident." For income tax purposes, newcomers living in Canada have "residential ties" and are subject to Canadian income tax, whether or not they are permanent residents according to CIC.

Why Should I File?

Some newcomers are not aware that they should file an income tax return every year to receive certain tax credit and benefit payments, even if they don't have any income or they don't owe any taxes. Information about the GST/HST credit, the Canada Child Tax Benefit, and the Working Income Tax Benefit can be found in the unit on Government Support Programs.

Some of the students may be eligible for these programs, but have not yet filed an income tax return. You can practice filling out the applications for the programs in class, using a fictitious character or famous person. Be careful about having students fill out their own information in class, especially their social insurance number. If students wish to practice using their own information, write a fictitious SIN on the board for them to use.

Marital Status

Because marital status is important for determining income tax as well as tax credits and benefits, the students may need help to find the correct box to check. If the marital status information they record on their income tax return is incorrect, they may be reassessed.

Students can practice filling out the Marital Status Change form (www.cra-arc.gc.ca/E/pbg/tf/rc65/rc65-08e.pdf).

Papers to Keep for Tax Time

The list on the worksheet is not a complete list of every possible credit or deduction, but covers the major ones likely to be relevant to newcomers. For more information on what qualifies as a medical expense, go to www.cra.gc.ca/medical. For examples of some of the other information slips, go to www.cra.gc.ca/educators and download the Student Workbook for the Teaching Taxes program.

How do the students keep track of their papers for tax time? Talk about having an envelope or box for all of the tax-related papers, to make it easier at tax time. If some of the students have filed taxes before, they could share their tips with the other students.

Filing Your Return

With beginner students, look at the first page of the income tax return. What information goes in each section? Practice filling out the first page for a fictitious character or a famous person. If students wish to practice using their own information, write a fictitious SIN on the board for them to use.

If you'd like to practice completing a tax return with your students, the CRA's Teaching Taxes program can be used with newcomers to demonstrate how to fill out a return (www.cra.gc.ca/educators). There is a list of tax treaty countries at www.fin.gc.ca/treaties-conventions/treatystatus-eng.asp and average exchange rates at www.cra.gc.ca/exchangerates. Students who need guidance on their income outside Canada can get more information from the website (www.cra.gc.ca/international), or from the International Tax Services Office at 1-800-267-5177.

Getting Help

There is a list of free tax clinics on the CRA website (www.cra-arc.gc.ca/tx/ndvdl/vlntr/clncs/menu-eng.html). Tax clinics could be offered at community centres, food banks, libraries, and social service agencies. You can also call 1-800-959-8281 for more information. <http://www.cra-arc.gc.ca/tx/ndvdl/dctrs/menu-eng.html>

Have any of the students filed their own taxes, or has someone prepared the income tax return for them? Was it a friend or family member, a tax clinic, or a company? Do they have a representative to speak with the CRA about their taxes?

Practice filling out the consent form for a representative (www.cra-arc.gc.ca/E/pbg/tf/t1013/t1013-08e.pdf).

After You File

Have any of the students disagreed with an assessment? Talk about the phrases used to express disagreement. The students can roleplay the discussion between a person who disagrees with the Notice of Assessment and the CRA. Intermediate students can work in pairs or small groups to develop a roleplay, while advanced students can create scenarios and then pair up to roleplay the scenarios.

Problems with Income Tax

Practice filling out the Adjustment Request form (www.cra-arc.gc.ca/E/pbg/tf/t1-adj/t1-adj-08e.pdf).

Government Support Programs

Although income levels vary considerably for newcomers to Canada, many find themselves in financial need. We are all aware of the difficulties in having international qualifications recognized and in finding employment without Canadian experience. Within the current economic climate, there are even more barriers to full-time, adequately paid work.

At the same time, it can be challenging for newcomers to find out about support programs and to manoeuvre through the application process. Most students will benefit from an overview of government support programs that they or someone they know may be eligible to receive. As well, while few of us want to advertise our problems, some cultures place particular emphasis on avoiding ‘losing face’ by admitting the need for help. Students from these cultures may be hesitant to seek out assistance until their difficulties have escalated to a crisis. They may benefit in particular from discussions about support programs that may point the way out of their dilemma.

The government support programs in the toolkit worksheets are mainly federal programs, with some references to provincial/territorial and municipal programs. For more information about support programs offered in your area, check your local Community Information Centre, provincial website, and municipal website. If students are interested in a particular government program, encourage them to check with a Service Canada location or with the government department to see if they qualify, since the eligibility requirements may change.

Many of the programs require people to apply online or at a Service Canada centre. To find the closest Service Canada centre, go to www1.servicecanada.gc.ca/eng/gateways/where_you_live/menu.shtml. You can also

obtain pamphlets to use with your students about many of the programs at a Service Canada centre.

Suggested Activities

Ask the students about their experiences with government support programs. Are there similar programs in their country of origin? What are the differences here in Canada? What have their experiences been, or the experiences of people they know? What would they like to know more about?

Immigration Loans Program

Have any of the students used the Immigration Loans Program? What were their experiences? More information and application forms for the Permanent Resident Fee Loan can be found at www.cic.gc.ca/english/information/applications/rolf.asp.

Practice filling out the Permanent Resident Fee Loan application together for a fictitious character or a famous person. For beginners, use an overhead and work together as a class to fill out the information. Students can then fill in the first page on their own copy. If they choose to use their own information, give them a fictitious SIN and birthdates to use.

Intermediate students can work in small groups to fill out an application for a fictitious character or a famous person. They can then exchange their application with another group and decide whether they would approve the loan if they were CIC officers. They should fill in the last page of the loan application, including the reason for approving or refusing the loan.

Advanced students can work individually or in pairs to fill out an application for a fictitious character or a famous person. They can then exchange their applications with others and form a group of 4-5 people. Looking at all the applications for their group, which ones would they approve? Which ones would they refuse? Are there any borderline cases? The groups should record their decision and reasons on the last page of the form. Once the students have their own application back, they can see if their loan was approved or refused. If it was approved, they can find another student with an approved loan to roleplay the interview with CIC for the loan agreement. If it was refused, they can find a partner to roleplay a discussion with a local sponsorship organization or community group, asking for help to pay the loan.

GST/HST Credits

More information on the GST/HST credit can be found at www.cra-arc.gc.ca/bnfts/gsthst/fq_qlfyng-eng.html.

Housing Programs

The Canada Mortgage and Housing Corporation has a website for newcomers on housing in eight languages at www.cmhc.ca/newcomers/. Information on RRAP is at www.cmhc-schl.gc.ca/en/co/prfinas/prfinas_001.cfm. The Canada Revenue Agency delivers the GST/HST New Housing Rebate. There is also the Home Buyers Plan, which allows a first-time home buyer (anyone who has not owned a house that they lived in for at least four years) to take money from an RRSP tax-free to build or buy a home; see the RRSP worksheet in the Investments unit for more information.

Working Income Tax Benefit

For more information on the Working Income Tax Benefit, go to www.cra.gc.ca/witb.

Practice filling out the advance payments form for WITB (www.cra-arc.gc.ca/E/pbg/tf/rc201/rc201-08e.pdf). For beginners, use an overhead and work together as a class to fill out the information. Students can then fill in their own copy of the application. If they choose to use their own information, give them a fictitious SIN and birthdate to use.

Intermediate students can work in small groups to fill out an application for a fictitious character or a famous person. They can then exchange their application with another group and see if the person qualifies for the WITB (the income criteria are on the website). Advanced students can work individually or in pairs on the same exercise. The students can then see what percentage of the applications qualified for the WITB.

Programs for Children

Are the students receiving the Canada Child Tax Benefit (CCTB) or the Universal Child Care Benefit (UCCB), or any of the other child benefits?

More information on the Canada Child Tax Benefit can be found at www.cra-arc.gc.ca/cctb/. For information on what “residential ties” means, see the Income Tax unit. For information on what is acceptable for proof of birth, see www.cra-arc.gc.ca/bnfts/cctb/prf_f_brth-eng.html. To find your tax centre, go to www.cra-arc.gc.ca/bnfts/ddrss-eng.html.

Legal clinics are currently seeing problems with parents who were incorrectly determined eligible for CCTB or UCCB benefits. Others were eligible because of their partner's immigration status; however, if they separate from their partner, they are no longer eligible. Many don't realize they need to advise CRA of this change. Parents who receive benefits in error must repay them, representing a significant financial burden. People who are **not eligible on their own** to receive the CCTB or UCCB (who are **only** eligible if their partner has eligibility due to immigration status) include:

- refugee claimants or failed refugee claimants
- people who have no status while they are waiting for a decision on a humanitarian and compassionate application
- people who have been approved in principle on a humanitarian and compassionate application and who are waiting for permanent residence
- people who are without status but cannot be removed from Canada because they are from countries to which Canada is not currently deporting people due to generalized risk (moratorium countries)
- people who have no status because they overstayed a visa or who have never had legal status

If you know a parent in this situation, you can refer them to the local legal clinic for help. It may be possible to appeal the overpayment decision. Emphasize the importance of telling CRA about marital status changes when you discuss this topic with your students. You can use the story "*You're not eligible!*" to talk about this issue with your students.

For more information about the Child Disability Benefit, look under www.cra-arc.gc.ca/bnfts/dsblty-eng.html. Information about the Disability Tax Credit is under Programs for People with Disabilities (see below).

There are also government grants and bonds available in connection with Registered Education Savings Plans; more information can be found in the RESP worksheet in the Investments unit.

With intermediate and advanced students, have a discussion about family benefit programs. Are the programs working to help families with children? Advanced students could work in pairs to design their own program to support families with children.

Programs for Youth

More information on newcomer youth programs can be found at www.youth.gc.ca/eng/audiences/newcomers/index.shtml. Service Canada has special centres to help youth find summer jobs (www.youth.gc.ca/eng/topics/jobs/scy.shtml). Information on the Federal Public Sector Youth Internship Program can be found at www.youth.gc.ca/eng/yip/index.shtml.

Programs for Students

Ask the students how people pay for post-secondary education in their country of origin. Is it free? Do families pay for education? Discuss the costs and benefits of post-secondary education.

Many newcomers are very keen on post-secondary education for themselves or their children, and they may not be aware of the financial aid that is available through student loans, grants, bursaries, and scholarships. There is a good comprehensive website (www.canlearn.ca) with useful information about post-secondary education.

On the Canlearn website, there is a cost calculator for post-secondary education at tools.canlearn.ca/cs/sgs-scpse/cln-cln/40/fp-pf/fp-pf.ecc.do?langcanlearn=en. The cost calculator will give an estimated total cost for a particular post-secondary program, based on a number of factors. Beginner and intermediate students could watch you navigate the tool and provide the input, while advanced students could work in pairs to compare scenarios (such as living at home, living in residence, and sharing an apartment) for a particular program. Work together to list the expense categories on the board (you may want to do this as you go through the cost calculator). Which ones are fixed expenses? Which ones can vary?

You could use the worksheets on RESPs from the Investments unit to give information on saving for education.

Programs for People with Disabilities

Ask the students about how people with disabilities support themselves or are cared for in their country of origin. What are the similarities and differences with Canada? Do people with disabilities mainly live on their own or with the extended family? What happens when people with disabilities need more care?

A complete summary of all federal programs for people with disabilities can be downloaded at the federal government website for people with disabilities, at www.pwd-online.ca/pdf/Disability_Guide_ENG.pdf. At the back of the guide, there are references to provincial and territorial information for people with disabilities. You can find more information on amounts that can be claimed on income tax at www.cra-arc.gc.ca/tx/ndvdl/sgmnts/dsblts/ddctns/menu-eng.html. More information on the RRAP-Disabilities program can be found at www.cmhc-schl.gc.ca/en/co/prfinas/. More information can be found in the Investments unit on the government grants and bonds available in connection with Registered Disability Savings Plans and the Home Buyers Plan, which allows money to be taken from RRSPs tax-free to build or buy a home for a person with a disability.

Programs for Seniors

Ask the students how older people are cared for in their country of origin. What are the similarities and differences with Canada? Do older people mainly live on their own or with the extended family? What happens when older people need more care?

Agencies or institutions working with immigrants can request a workshop from the Partnerships and Engagement Division of Human Resources and Skills Development Canada. The workshop includes an overview of the CPP and OAS programs, as well as hands-on practice and tools to raise awareness of benefits. If you are interested in having a workshop at your location, contact Sonia Melo (sonia.melo@hrsdc-rhdsc.gc.ca).

There is more information about the Old Age Security program at www1.servicecanada.gc.ca/eng/isp/oas/oasoverview.shtml. Countries with social security agreements with Canada are listed at www1.servicecanada.gc.ca/eng/isp/pub/ibfa/toc-i.shtml#aa. The CMHC offers the Home Adaptations for Seniors Independence program.

You could use the worksheets on RRSPs from the Investment unit to give information on saving for retirement.

Investments

The information on investments in this toolkit focuses on Registered Retirement Savings Plans (RRSPs), Registered Education Savings Plans (RESPs), Tax-Free Savings Accounts (TFSAs), and Registered Disability Savings Plans (RDSPs). The sections on RESPs and RDSPs also discuss the government incentives to encourage people to save for their child's education and for the long-term financial security of a person with a severe disability (Savings Grants and Bonds). The registered savings plans require people to be Canadian residents according to the CRA definition (see the income tax unit for an explanation).

Information for intermediate and advanced language students (CLB 7 and above) is available from several sources. Settlement.Org (www.settlement.org/site/CI/personal_finance.asp) has good general information and a Newcomer Investor Education Kit in seven languages. The Investor Education Fund is a comprehensive information source for advanced students (www.investored.ca) with a set of case studies for various investment scenarios (www.investored.ca/en/Pages/CaseStudies.aspx#Retirement). The Canadian Securities Administrators website has good information on investments and scams (www.securities-administrators.ca). The Canadian Bankers Association website (www.cba.ca) has good information for higher-level students. The Financial Consumer Agency of Canada (FCAC) has information pamphlets about investments that can be downloaded from the

site (www.fcac-acfc.gc.ca) or ordered online. Human Resources and Social Development Canada has brochures on RESPs and the Savings Grant and Learning Bond (www.canlearn.ca/eng/main/publications/ces.shtml) that are suitable for CLB 5 and above; the brochures are clearly written and are available in six languages. The RDSP is a new program, and information is available at www.hrsdc.gc.ca/eng/disability_issues/disability_savings/index.shtml, including financial institutions currently offering the RDSP.

Suggested Activities

Ask the students about their experiences with investments. Are investments popular in their country of origin? What are the differences here in Canada? What have their experiences been, or the experiences of people they know? What would they like to know more about?

It is also important to point out that people who sell investment products make more money from some products than others, so their advice may be biased.

Registered Retirement Savings Plans

Registered Retirement Savings Plans (RRSPs) may be particularly important for newcomers, since they may not accumulate much in CPP contributions or in work pensions. Because they are more likely to be starting their RRSP contributions at a later point in life, their RRSP savings have less time to grow. Retirement income may seem like a far-off topic compared to the daily challenge of settlement concerns; however, it is important for newcomers to realize that they will need to provide for their own retirement income. As well, because people can borrow from their RRSPs to buy their first home or for education programs, RRSPs can provide a way to save for these major expenses.

Use the table from InvestorEd.ca giving sample income levels for different retirement scenarios to start a discussion about how much money the students will need in retirement

(www.investored.ca/en/investoranswers/A/6_lifeafterretirement/Pages/1_whattoexpect.aspx). How much income will they need? What kind of income do they expect to have?

You can use the RRSP sheets in conjunction with the worksheets on Programs for Seniors in the Government Support Programs unit to give the students a better understanding of what income they can anticipate. There is a rate table to give an indication of income from Old Age Security at www1.servicecanada.gc.ca/eng/isp/oas/oasrates.shtml. Then use the RRSP investment calculator (investored.ca/IefCalculators/Calculators/RrspSavings/default.aspx#CalcStart) to see how much an RRSP investment will give in income during retirement.

More information on RRSPs can be found at www.cra.gc.ca/rrsp. More information on the Lifelong Learning Plan can be found at www.cra-arc.gc.ca/tx/ndvdl/tpcs/rrsp-reer/llp-reep/menu-eng.html. More information on the Home Buyer's Plan can be found at www.cra-arc.gc.ca/tx/ndvdl/tpcs/rrsp-reer/hbp-rap/menu-eng.html.

Registered Education Savings Plans

Registered Education Savings Plans (RESPs) are a particularly important topic to cover with newcomers, since they may not be aware of the grants and bonds available to help them save for their children's education. You can use the RESP sheets in conjunction with the worksheet on *Programs for Students* in the Government Support Programs unit to give a better understanding of the ways in which post-secondary education can be financed. There is an online calculator at www.investored.ca/IefCalculators/Calculators/SavingforChildsEducation/default.aspx that you can use with the students to estimate how much they would have to contribute to an RESP to pay for their children's education.

Some RESP plans have complex rules about contributions, transfers, and withdrawals. Newcomers should be aware that there are many RESP programs and they may need to look at several plans to find one that suits their needs.

More information on Registered Education Savings Plans can be found at www.cra-arc.gc.ca/tx/ndvdl/tpcs/resp-reee/menu-eng.html. More information on the Canada Education Savings Grant and the Canada Learning Bond can be found at www.canlearn.ca. In order to receive the Canada Learning Bond, families must be eligible for the National Child Benefit Supplement (see information under *Programs for Children* in the Government Support Programs unit). For a list of RESP providers offering the Canada Learning Bond, check www.hrsdc.gc.ca/eng/learning/education_savings/publicsection/new_promoter_list.shtml. If you have questions about how Canada Education Savings Grants or Canada Learning Bonds work, contact Nadia Asimail at nadia.asimail@hrsdc-rhdcc.gc.ca for further information.

Tax-Free Savings Accounts

The Tax-Free Savings Account (TFSA) is a good way to save for all kinds of future expenses because there is no tax paid on withdrawals, including investment income. A TFSA may be of particular interest to lower-income newcomers, since any withdrawal won't affect their income from government programs like the Canada Child Tax Benefit and the Guaranteed Income Supplement.

InvestorED.ca has good information on TFSAs, including some examples of factors to consider in deciding whether an RRSP or a TFSA is a better choice of investment. You

could use some of the case study stories from InvestorED.ca with your students to explain the pros and cons of different investment types. More information on the TFSA is available at www.cra-arc.gc.ca/tx/ndvdl/tpcs/tfsa-celi/menu-eng.html.

Registered Disability Savings Plans

The Registered Disability Savings Plan (RDSP) is a new program to help people save for the care of people with disabilities. The Canadian government will provide grant money and bond money, similar to the RESP grants and bonds. For lower-income individuals, the savings bond contributions could be a valuable way to create income in future years.

More information on the Registered Disability Savings Plan can be found at www.cra-arc.gc.ca/tx/ndvdl/tpcs/rdsp-reei/menu-eng.html. More information on the Canada Disabilities Savings Grant and the Canada Disabilities Savings Bond can be found at www.hrsdc.gc.ca/eng/disability_issues/disability_savings/index.shtml.

Investment Scams

Unfortunately, investments are an area where fraudsters are very active. Newcomers can be particularly targeted because of their unfamiliarity with the rules about investments in Canada. The Investment Scams worksheet gives an overview of the most common types of scams. More information on scams can be found in the Fraud unit.

The Canadian Securities Administrators website has a booklet on investment scams that is suitable for advanced students (www.securities-administrators.ca/uploadedFiles/General/pdfs/Protect_your_money-ENG.pdf). For a list of common scams, see www.securities-administrators.ca/investortools.aspx?id=88 and www.investored.ca/en/investoranswers/D/8_investinsafeplace/Pages/2_fraudscam.aspx. Affinity fraud (where a fraudster gains trust because of religious, ethnic, cultural, professional, or other links to the victims) is on the increase, and may be a particular issue in newcomer communities in the settlement period.

The Canadian Securities Administrators website has links to all of the provincial and territorial securities regulators (www.securities-administrators.ca).

Insurance

The insurance unit covers the basics of insurance terminology and the kinds of policies available, as well as information on what to do in making a claim. Perhaps the most important points to make are the areas where people are personally liable for damages to others and the potential cost of not being insured for a big loss.

Insurance scams are on the rise in Canada, with scam artists posing as agents or brokers. The Insurance Bureau of Canada has a scam alert section on its website that gives information on how to check whether an agent, broker, or insurance company is licensed (www.ibc.ca/en/Home_Insurance/Buying_Renewing_Home_Insurance/Scam_Alert.asp).

The General Insurance OmbudService deals with disputes about home, automobile, and business insurance (www.giocanada.org). The Canadian Life and Health Insurance OmbudService's website is www.clhio.ca.

Information for intermediate and advanced language students (CLB 7 and above) is available from several sources. Insurance-Canada.ca (www.insurance-canada.ca) is a good information source for advanced students. There are excellent consumer guides for life and health insurance on the Canadian Life and Health Insurance Association's website at www.clhia.ca. The Insurance Bureau of Canada has good information on property, automobile, and business insurance (www.ibc.ca). In particular, it has booklets on home insurance and tenant insurance that are downloadable from the website. Settlement.Org (www.settlement.org/site/CI/personal_finance.asp) has an overview of insurance.

Suggested Activities

Ask the students about their experiences with insurance. Is insurance similar in their country of origin? What are the differences here in Canada? What have their experiences been, or the experiences of people they know? What would they like to know more about?

For examples of insurance policies, go to the The City (www.themoneybelt.ca/theCity-laZone/eng/login-eng.aspx) in the In-Class Materials for the Insurance unit.

Insurance

To illustrate how insurance works, give the students each a few handfuls of counters (poker chips, bingo tokens, pennies, marbles ...) as their 'money.' Tell the class that you are an automobile insurance company, and they must pay their insurance premium. Go around the class with a container (bowl, hat) and have students toss in a counter or two every time you go by. Once you have enough counters in the container, stop randomly from time to time and instruct the student in front of you to take out a handful of counters (representing payment on an insurance claim). Add an explanation (your car was stolen, you had a car accident, a tree fell on your car ...). Students continue to add counters as you pass them. You may want to have four or five students in a row take out a handful of counters, to show what happens when an area is hit by a disaster of some kind. You can also stop in front of the same student several times; after that, this student must put in three counters every time you go by, to show what happens if a person makes more

claims (increased premiums). You could make young male students pay extra counters to show what happens if the person belongs to a high-risk group. Follow up with a discussion on how insurance acts as a pool of money to draw on after an accident.

Health Insurance

Ask the students about their experiences with health care expenses in Canada. Was health care free in their country of origin? Did the government cover some expenses? What were the differences with Canada? Have any of the students had experiences with private health insurance? Explain that many employers in Canada offer health benefits to their workers through private health insurance.

To give the students an idea of the cost of private health insurance, go to www.insurance-canada.ca/health-products/health-quotes/health-quotes.php and select a company to get an online quote (you need to enter an email for this service as well as ages and number of dependents, but no other personal information). For beginners, work together to get a quote for one of the student's families. Intermediate students could work in pairs to enter the information to get a quote for one of their families. Advanced students could check out the cost of insuring their family with several companies and compare the results.

Life Insurance

Ask the students whether life insurance is available in their country of origin. Is there a similar system or some other way to provide for family members if a person dies?

Use the example life insurance policy from The City. For beginners, work together to understand the main ideas in the text and then identify the certificate number, premium amount, and the benefit that would be paid. Intermediate students could work in small groups to find the information after you look at the introductory text together. Advanced students could find out how the premium is calculated and what happens if the premium is not paid on time, as well as the other information.

Then talk to the students about how life insurance premiums are determined. In essence, the insurance companies use information about mortality rates and mathematics to decide who is most likely to die of an illness. They then decide who they will insure and what the premium will be, based on that likelihood. To illustrate how this works, set up your own life insurance company in the classroom. All of the students are owners of the company. Make three categories on the board – Regular Premium, High Premium, No Insurance. Which applicants would they put in the first category? The second? The third?

Disability Insurance

Ask the students whether disability insurance is available in their country of origin. Is there a similar system or some other way to have income if you become disabled?

Use the example disability insurance policy from The City. For beginners, work together to understand the main ideas in the text. What kind of disability insurance is this? What is not included? Identify the certificate number, premium amount, and the benefit that would be paid. Would they buy this insurance if they were Zack?

Intermediate students could work in small groups to find the information after you look at the introductory text together. Advanced students could find out how the premium is calculated and what happens if the premium is not paid on time, as well as the other information. Intermediate and advanced students could then make a list of which occupations need disability insurance. On the board, make three categories (high risk, medium risk, and low risk) and classify the occupations according to the risk of injury. Who will pay the most for disability insurance? Would the students buy disability insurance? Why or why not?

Travel Insurance

Ask the students if they get travel insurance when they leave Canada. What have their experiences been or those of people they know?

Use the example travel medical insurance policy from The City. For beginners, work together to understand the main ideas in the text. What is included in the insurance? What is not included? Identify the premium amount, and the benefit that would be paid. Would they buy this insurance if they were Indigo?

Intermediate students could work in small groups and advanced students could work individually to find the information. Would the students buy travel medical insurance? Why or why not?

Home Insurance

Ask the students whether home insurance is available in their country of origin. Is there a similar system or some other way to pay for losses? What have their experiences been with home insurance in Canada?

To give more examples of the difference between insuring for actual cash value, replacement cost, and replacement cost endorsement, use the worksheet on Home Insurance. Choose some familiar items, like a couch, a microwave, and a bed, and get flyers advertising these items. With beginners, look at the example in the worksheet and

then work together on an overhead to fill out other examples, using the flyers and their own estimations of costs. Have the students fill out their own copy of the worksheet. Intermediate students could work in pairs to fill out their worksheets, and advanced students could work individually.

Use the example residential insurance policy from The City. For beginners, work together to understand the main ideas in the text. What is included in the insurance? What is not included? Identify the premium amount, the deductible, and the benefit limits for property, contents, and liability. What extra coverage is included? Would they buy this insurance? Intermediate students could work in small groups and advanced students could work individually to find the information.

On the board, list what a person needs to know about his or her home insurance policy to make a call to the insurance agent about a theft. Beginner students could then develop a script together on the board for the policyholder and the insurance agent. The first time through the role-play, the instructor plays the insurance agent. Then the students could practice in pairs, switching roles after five minutes. Intermediate students could work in pairs to design and practice their own role-play. Advanced students could work in pairs to design their own role-play, including a problem about the insurance and a resolution of the problem.

Tenant's Insurance

Ask the students about tenant's insurance. Have they used it? What have their experiences been?

Use the example apartment insurance policy from The City. For beginners, work together to understand the main ideas in the text. What is included in the insurance? What is not included? Identify the premium amount, the deductible, and the benefit limits for contents and liability. What extra coverage is included? Would they buy this insurance? Intermediate students could work in small groups and advanced students could work individually to find the information.

Use the story *What a Mess* in the worksheets to talk about accidents and liability. Katarina is liable for the damage to the building, which could be a major repair bill.

Car Insurance

Ask the students about car insurance. Does car insurance work the same way in their country of origin? What are the differences with Canada? What have their experiences been here? Have any of the students made a car insurance claim? What were their experiences?

Use the example automobile insurance policies from The City. With beginners, work together to understand the main ideas in the text. What is included in the insurance? What is not included? What is the difference between the two policies? Identify the premium amounts and the deductible for the collision coverage. Intermediate students could work in small groups and advanced students could work individually to find the information.

To finish the insurance unit, students could work in pairs or small groups using magazines or flyers to find a picture of an individual or a family (or assemble a number of photos to make their own family grouping). They could then develop a profile of their person or family, including occupation, health, etc. Then they could determine what kinds of insurance this person or family would need. Beginner students could work in groups and discuss their choices as a class. Intermediate and advanced students could present their recommendations to the class in poster format or as presentations.

Fraud

Fraud is increasingly an issue in Canada. Newcomers benefit from learning about the main kinds of fraud and about how to protect themselves. Many kinds of fraud target low-income people and those who are less likely to file a complaint.

Information for intermediate and advanced language students (CLB 7 and above) is available from several sources. The Financial Consumer Agency of Canada (FCAC) has information pamphlets about fraud that can be downloaded from the site (www.fcac-acfc.gc.ca) or ordered online. Your students can take an online quiz on fraud in Canada at www.abcfraud.ca or you can download the quiz from the website. Extensive links for frauds, scams, and identity theft can be found at www.recol.ca/fraudprevention.aspx and at www.phonebusters.com/english/recognizeit.html. The RCMP also has a list of common frauds and scams at www.rcmp-grc.gc.ca/scams-fraudes/index-eng.htm and of telemarketing scams at www.rcmp-grc.gc.ca/qc/services/colt/fraudes-fraud-eng.htm. The Canada Revenue Agency has examples of fraudulent emails and letters at www.cra-arc.gc.ca/ntcs/bwr-eng.html. An interesting video on identity fraud is available from the Bank of Canada website at www.bank-banque-canada.ca/en/video_corp/dbo/dvd_fraud.html.

Suggested Activities

Ask the students whether they have had experiences with fraud in their country of origin or in Canada. What have their experiences been, or the experiences of people they know? What would they like to know more about?

Identity Theft

Start the lesson by pretending to be one of the students, another instructor, or a famous person. Walk up to students and introduce yourself as the other person, and then pretend to be on the phone, signing up for a credit card with that person's information (which you can just make up on the spot). Once the students catch on to what you are doing, ask them what they know about identity theft. In what ways can someone get information from you? What can identity thieves do with the information? Using the worksheet *Identity Theft*, list the ways that thieves get identity information.

Protect Your Identity

For information on when a SIN is required and when it is not, see www.servicecanada.gc.ca/eng/sin/protect/provide.shtml.

Using the worksheet called *Protecting My Identity*, have the students put an N in the box beside the statement for Never, an S for Sometimes, and an A for Always. If a statement doesn't apply to them (for example, if they don't shop online), they can just leave that box blank. When they finish the sheet, have them share one way they will improve on protecting their identity.

Intermediate and advanced students could watch the identity fraud video from the Bank of Canada at www.bank-banque-canada.ca/en/video_corp/dbo/dvd_fraud.html. With intermediate students, pause the video frequently to check for comprehension. How did the thieves steal the identity of the people in the video? What suggestions are in the video about protecting your identity?

Scams

Ask the students if they have had scam telephone calls, letters, or emails. What happened? How did they react?

Use the *Spot the Fraud* worksheet and bring some examples of ads for earning “easy money” or for guaranteed loans from the classified section of the newspaper. As well, the RCMP websites listed above often have links to the latest scam letters or emails for you to use as examples. Take a look at the examples together to identify the warning signs of scams. Intermediate students could work together to develop a tip sheet for newcomers, “It's a scam if ...” and post their tip sheets for other students to read. Advanced students could roleplay a television interview with a security expert, advising newcomers how to protect themselves from fraud. They could present these interviews to other classes and answer questions about scams.

Other Topics

Budgeting may be an issue for some of your students, although many may have excellent budgeting skills. Credit Canada has online and downloadable budgeting tools at www.creditcanada.com. You can also check local non-profit credit counselling agencies, who may be able to present a workshop on budgeting. The City (www.themoneybelt.ca/theCity-laZone/eng/login-eng.aspx) also has a unit on *Lifestyle Reality Check* (comparing average incomes for various jobs to expected expenses), a unit on *Needs, Wants, and Priorities*, and an *Income, Expenses, and Budget* unit. If your site can invest in educational materials, consider the *Your Money Matters* program (www.aspect.bc.ca/products/yourmoneymatters.php). The program can be used by CLB level 6 students independently, and by CLB levels 3-5 with instructor support.

Gambling can be an issue causing financial and emotional stress in many newcomer families. There is an excellent set of handbooks for people with problems gambling and for their families at www.problemgambling.ca. The handbooks are available in 10 languages; they can be downloaded from the website.

Resources about the **cost of living** in Canada can be found on Settlement.org (www.settlement.org/site/CI/personal_finance.asp). You can find information on inexpensive options for clothing, furniture, food, and other necessities from local social service organizations. If nothing exists for your area, perhaps the students could pool their knowledge, do some investigation, and put together their own local guide for newcomers.

Bankruptcy materials can be found at the Office of the Superintendent of Bankruptcy Canada at www.osb.ic.gc.ca, including alternatives to bankruptcy, how to declare bankruptcy, where to go for advice, and other information.

The FCAC has great materials on **mortgages**, including information booklets and several online tools – a mortgage qualifier and a mortgage calculator (www.fcac-acfc.gc.ca/eng/consumers/CreditLoanDebt/Mortgages/Mortgages-eng.asp).