



Preview - Information



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Google Slides Lessons Preview





Ontario Math Curriculum Financial Literacy – Grade 8

3-Part Lesson Format

Part 1 – Minds On!

- Learning Goals
- Discussion Questions
- Quotes
- And More!

Exchange Rates

Learning Goal

We are learning to understand why currencies have different values and how exchange rates compare them, so we can figure out what money from one country is worth in another and make informed decisions when travelling or buying internationally.

Exchange Rates

Convert money from other currencies to Canadian dollar.

Money	Currency	CAD
78	Omani Rial	
500	Mexican Peso	
115	U.A.E Dirham	
0.35	Kuwaiti Dinar	
25	Mexican Peso	
12	Bahraini Dinar	
5.80	Kuwaiti Dinar	
4.35	Omani Rial	

Currency	Value in Canadian Dollars (CAD)
1 AED (U.A.E Dirham)	0.36 CAD
1 OMR (Omani Rial)	3.63 CAD
1 KWD (Kuwaiti Dinar)	4.56 CAD
1 BHD (Bahraini Dinar)	3.69 CAD
1 MXN (Mexican Peso)	0.07 CAD

\$35 \$1.59 \$1.75

\$15.79 \$285.14 \$43.70

\$44.28 \$283.14 \$26.44

Part 2 – Action!

- Writing
- Matching
- Drag and Drop
- Drawing
- And More!

Part 3 – Consolidation!

- Exit Cards
- Quizzes
- Reflection
- And More!

Consolidation

Is the statement True or False?

True False

1) Some credit cards offer better exchange rates than cash exchanges at airports.	
2) Paying in your home currency while travelling always guarantees the lowest total cost.	
3) Storing all your money as cash while travelling is less risky than relying on electronic payment methods.	
4) Electronic wallets can still charge currency conversion fees depending on how the linked bank account handles foreign purchases.	
5) Choosing the "cheapest-looking" payment method without checking the details can lead to higher costs than expected.	
6) Debit cards may limit how much you can withdraw internationally, even if you have enough money in your account.	
7) When using certain payment methods, the exchange rate is determined at the exact moment you complete the purchase.	



Ontario Math Curriculum Financial Literacy - Grade 8

Financial Goals

Circle the words in the wordsearch

Budget	Income
Savings	Expenses
Interest	Deduction
Earnings	Investing
Allowance	Priorities
Tracking	Discipline

Wordsearch grid:

```

P R I O R I T I E S W Z N C K D
T D I S C I P L I N E S W U J E
R E T R J U O F U V S N R G V D
A C I F R V R G H N Q T Y W E U
C O A N X Q H G N W I G X C X C
K U U G C F C M Z B L N O K P T
I F C M N O I N T E R E S T E I
N O X Q I Y M B W Y K Q S J N O
G R B X I M W E S A V I N G S N
B U D G E T E A R N I N G S E H
I N V E S T I N G N I M G O S O
E V J F A L L O W A N C E P R P
  
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Income and income tax.

Income	Income Tax	Net Income
\$134,268		
\$91,542		
\$165,635		
\$2,457,132		
\$48,387		

Gross Income Bracket	Avg. Tax Rate
\$0 - \$50,000	10.5%
\$50,000 - \$100,000	11.8%
\$100,000 - \$150,000	13%
\$150,000 - \$200,000	15.7%
\$200,000 or more	18.3%

Drag each statement below into the appropriate box:

- \$2,007,476.84
- \$116,813.16
- \$10,801.96
- \$26,004.70
- \$80,740.04
- \$5,080.64
- \$139,630.30
- \$449,655.16
- \$43,306.36
- \$17,454.84

Drag each statement below into the appropriate box:

Supports a Balanced Budget	Does NOT Support a Balanced Budget
	<ul style="list-style-type: none"> Relying on memory instead of recording purchases Tracking only major expenses and ignoring smaller purchases Moving extra money from one category to cover a higher gas cost Reviewing last month's spending to plan for this month Paying for a premium budgeting app when a free one works the same



Ontario Math Curriculum Financial Literacy – Grade 8

Simple vs Compound Interest

Calculate how much the principal value grows each year using simple interest.

Principal	1st Year (7.2%)	2nd Year (7.2%)	3rd Year (7.2%)
\$1,950			
\$2,325			
\$1,465			
\$3,440			
\$1,400			

Available answer options:

- \$2,371.20
- \$2,492.40
- \$1,500.80
- \$1,570.48
- \$2,827.20
- \$3,687.68
- \$1,702.40
- \$420.10
- \$3,935.36
- \$2,659.80
- \$2,230.80
- \$1,781.44
- \$2,090.40
- \$1,675.96
- \$1,601.60
- \$4,183.04

Drag the correct benefit to match each action.

1) Using a store's points card on all regular purchases	
2) Buying an item during a limited-time "flash sale"	
3) Choosing a store that offers price-matching	
4) Buying items in bulk during a promotion	
5) Redeeming a loyalty reward for a future discount	

Available benefits:

- A) Saves money for a later purchase
- B) Reduces the price immediately before the sale ends
- C) Helps you spend less than competitors' prices on the same item
- D) Earns rewards over time for purchases you already planned to make
- E) Lowers the cost per item when buying more at once

Answer boxes: A, B, C, D, E

Match the phone plan to the customer's needs.

2) Ethan watches a lot of shows but wants to cancel anytime if he needs to save money.	
3) Zoe plays games all year and wants the lowest yearly price, even if she must commit for 12 months.	
4) Sam wants the cheapest long-term phone plan and doesn't mind signing for 2 years.	
5) Leila wants full control of her spending and refuses to pay extra fees if she uses more data.	

Contract Options

A) Two-Year Cell Phone Contract	<ul style="list-style-type: none"> ✓ Lowest total cost over 2 years ✓ Extra fees if you go over limits
B) Prepaid Phone Plan	<ul style="list-style-type: none"> ✓ No long-term contract ✓ Very predictable spending
C) Monthly Streaming Contract	<ul style="list-style-type: none"> ✓ Cancel anytime ✓ Slightly higher monthly cost
D) One-Year Gaming Subscription	<ul style="list-style-type: none"> ✓ Cheapest yearly cost ✓ Must stay for 12 months
E) Weekly Gaming Pass	<ul style="list-style-type: none"> ✓ No contract ✓ More expensive over time

Answer boxes: A, B, C, D, E



Workbook Preview



Grade 8

F1. Money and Finances

	Curriculum Expectations	Pages That Cover the Expectations
F1.1	describe some advantages and disadvantages of various methods of payment that can be used when dealing with multiple currencies and exchange rates	5 - 24
F1.2	create a financial plan to reach a long-term	
F1.3		
<p>Preview of 65 pages from this product that contains 122 pages total.</p>		
F1.4	determine the growth of simple and compound interest at various rates using digital tools, and explain the impact interest has on long-term financial planning	45 - 60
F1.5	compare various ways for consumers to get more value for their money when spending, including taking advantage of sales and customer loyalty and incentive programs, and determine the best choice for different scenarios	61 - 66
F1.6	compare interest rates, annual fees, and rewards and other incentives offered by various credit card companies and consumer contracts to determine the best value and the best choice for different scenarios	67 - 74

Exchange Rates - Intro

There are 180 different currencies that are recognized in the world. Every currency is valued differently. This means that a lot of money in one currency could be worth very little in another. For example, if you took one dollar in Canadian money to Japan, it would be worth 90 Japanese Yen.

Exchange rates keep track of how much money is worth. A rate compares two or more currencies together. Therefore, the exchange rate between a Canadian Dollar and Japanese Yen is 1 CAD to 90 JPY.

Part 1 Answer the questions below



1) Why do you think we need exchange rates?

2) How much do you think a candy bar would cost in Yen? Explain your answer.

Part 2 Convert money between CAD and Yen using multiplication and division

	Canadian Dollar	Japanese Yen
1)	\$1	
2)	\$2	
3)	\$10	
4)	\$50	
5)	\$200	
6)	\$10,000	

	Japanese Yen	Canadian Dollar
1)	¥720	
2)	¥990	
3)	¥3600	
4)	¥5400	
5)	¥9000	
6)	¥900,000	

World Currency Exchange Rankings

Out of the 180 currencies worldwide, each one has their own value. This means that 1 dollar is worth a lot more and a lot less in different currencies. The list below is of the top 10 currencies worldwide.

One value of each currency can be exchanged for the money shown in CAD.

This means for every Kuwaiti Dinar, you would exchange it for \$4.14 Canadian Dollars. If you had 1 US Dollar, you would exchange it for \$1.25 Canadian Dollars.

The value of a currency changes all the time. In fact, it changes by the second. A lot of a country's economic activity determines the value of their currency. People in a country earn a lot of money, the country will have a stronger economy and therefore, a higher value.

Rank	Currency	CAD Rate
1)	Kuwaiti Dinar	\$4.14
2)	Bahraini Dinar	\$3.31
3)	Omani Rial	\$3.24
4)	Jordanian Dinar	\$1.76
5)	British Pound Sterling	\$1.70
6)	Cayman Islands Dollar	\$1.50
7)	European Euro	\$1.44
8)	Swiss Franc	\$1.34
	US Dollar	\$1.25
	Canadian Dollar	\$1.00

Part 1 Answer the question below

If you could have 100 of any of these currencies, which would you choose? Explain your choice.

Part 2 Convert money from other currencies to Canadian Dollars (CAD)

	Money	Other Currency	CAD
1)	\$3	Swiss Franc	
2)	\$5	US Dollar	
3)	\$7	Cayman	
4)	\$10	Euro	
5)	\$20	Kuwaiti Dinar	

	Money	Other Currency	CAD
6)	\$2	British Pound	
7)	\$6	Bahraini Dinar	
8)	\$25	US Dollar	
9)	\$150	Omani Rial	
10)	\$500	Jordanian Dinar	

Converting Currencies

The table displays the top 5 used currencies around the world. The Canadian Dollar is number 6. If you converted one Canadian Dollar into the other currencies, you would get the money shown in the table.

For example, 1 CAD will be exchanged for \$0.80 USD (cents).

Rank	Currency (\$1 CAD To)	\$
1)	US Dollar	\$0.80
2)	Euro	€0.70
3)	Japanese Yen	¥90.00
4)	Pound Sterling	£0.60
5)	Australian Dollar	\$1.10

Part 1 Give 1 CAD to other currencies

	CAD	Other Currency	\$
1)	\$10	US Dollar	
2)	\$75	Euro	
3)	\$120	Japanese Yen	
4)	\$1000	Pound Sterling	
5)	\$5000	Australian Dollar	
6)	\$5.50	US Dollar	
7)	\$32.75	Euro	
8)	\$61.82	Japanese Yen	
9)	\$1000	Pound Sterling	
10)	\$4358	Australian Dollar	

Part 2 Answer the questions below

1) Ella spent \$24.50 CAD on a t-shirt in Berlin, Germany. How much was the t-shirt in Euros?



2) Levi is going on vacation to Glasgow, Scotland. He converted \$2000 CAD to Pounds Sterling. How much should he get in return?

3) Sofia bought a boomerang from Australia online. She paid \$48.25 CAD. How much was the boomerang in Australian Dollars?



4) Elena bought a kimono from an online store based out of Japan. She paid \$136.32 CAD. How much was the kimono listed for in Yen on the Japanese website?

Exit Cards

Cut Out

Cut out the exit cards below and have students complete them at the end of class.

Name: _____

a) Convert the CAD to other currencies

CAD	Other Currency	\$
\$2234	Japanese Yen	
\$99.90	Euro	
\$6840.98	Australian Dollar	
\$2150	Pound Sterling	

b) Olivia buys a souvenir in France that costs €280 (Euros). She wants to know how much she paid in Canadian Dollars. How much did the item cost in CAD?

Name: _____

a) Convert the CAD to other currencies

CAD	Other Currency	\$
\$2234	Japanese Yen	
\$99.90	Euro	
\$6840.98	Australian Dollar	
\$2150	Pound Sterling	

b) Olivia buys a souvenir in France that costs €280 (Euros). She wants to know how much she paid in Canadian Dollars. How much did the item cost in CAD?

Name: _____

a) Convert the CAD to other currencies

CAD	Other Currency	\$
\$2234	Japanese Yen	
\$99.90	Euro	
\$6840.98	Australian Dollar	
\$2150	Pound Sterling	

b) Olivia buys a souvenir in France that costs €280 (Euros). She wants to know how much she paid in Canadian Dollars. How much did the item cost in CAD?

Name: _____

a) Convert the CAD to other currencies

CAD	Other Currency	\$
\$2234	Japanese Yen	
\$99.90	Euro	
\$6840.98	Australian Dollar	
\$2150	Pound Sterling	

b) Olivia buys a souvenir in France that costs €280 (Euros). She wants to know how much she paid in Canadian Dollars. How much did the item cost in CAD?

Exchange Rate – Souvenir Shop

Menu	\$USD
T-shirt	\$22.50
Sweater	\$45.75
Hat	\$15.00
Postcard	\$2.75
Keychain	\$5.50

A souvenir shop in Buffalo, New York sells many items to Canadian tourists. They list their price in USD but will accept Canadian money at a rate of 1USD to 1.35CAD. They know the exchange rate is high, but they want to make sure they can exchange the CAD to USD at the bank and not lose money.

Question: How much will the Canadian customers pay in CAD?

1) Aurora buys a T-shirt and a keychain. How much does she owe in CAD?



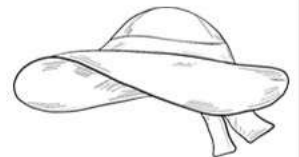
2) Luke buys a sweater and keychain. How much does he owe in CAD?

3) Hudson has \$35 CAD left after his trip to the USA. He wants to buy a T-shirt, and postcard.

a) Can he afford it?

b) If yes, how much money will he have left?

4) Penelope wants to buy one of each item. How much will it cost her in CAD?



5) Wyatt has \$23 in USD and \$30 in CAD. Can he buy a sweater?



Exchange Rate – Burger Shop

Jayden works at a burger shop in Niagara Falls, Ontario. He serves many customers from the United States, who cross the border to check out Canada's side of the falls.

He provides his customers with an exchange rate of 1CAD to 0.85USD. Some of his US customers don't agree with the rate, but he must make sure he doesn't lose money in the exchange.

Menu	\$CAD
Burger	\$5.50 each
Fries	\$3.50 each
Drink	\$2.50
Onion Rings	\$3.75
Combo – Burger and Fries	\$7.50

Questions 1-5 are based on the questions below

1) A customer orders 1 burger and 1 onion rings. How much will Jayden charge them in USD?

2) A customer orders 2 combos. How much will they owe in USD?

3) A customer orders onion rings, fries, and a drink. They give Jayden a \$10 USD bill. How much change will Jayden give them in USD?



4) Jayden has run out of USD. He uses a rate of 1USD equals 1.15CAD to give change back in CAD. A customer pays \$20USD to Jayden for 3 burgers. How much change does Jayden owe them in CAD?



5) Jayden earned \$323USD today selling to tourist from the United States. He brings it to the bank and exchanges it to CAD with an exchange rate of 1CAD to 1.27USD.

a) How much CAD did he get?

b) How much extra money did he earn by using an exchange rate of 1CAD to 1.15USD in his store?



Comparing Money – Different Currencies

Rank	Currency	\$	CAD
1)	US Dollar (USD)	1USD	\$1.25
2)	Euro (EUR)	1EUR	\$1.45
3)	Japanese Yen (JPY)	1JPY	\$0.011
4)	Pound Sterling (GBP)	1GBP	\$1.70
5)	Australian Dollar (AUD)	1AUD	\$0.92

The top 5 currencies in the world are displayed in the table. Their values are presented as a rate of 1 of their currency to CAD.

Example – If we convert 1JPY, we will get \$0.01 or 1 cent. We will get \$0.92CAD for 1AUD.

Part 1 Use the table to compare the currency amounts.

1)	\$20.00CAD	¥1000JPY	6)	\$215.00CAD	\$250.00AUD
2)	\$75.00USD	\$1000CAD	7)	\$382.10CAD	¥1200.00JPY
3)	\$8.25CAD	\$100AUD	8)	\$250.00CAD	€725.00EUR
4)	£22.50GBP	\$25.15CAD	9)	\$38.50USD	\$1100.00CAD
5)	\$125.00CAD	€92.00EUR	10)	£77.00GBP	\$1352.21CAD

Part 2 Answer the questions below

- 1) Peter is shopping for a new guitar from 5 different countries around the world. The same guitar is priced in 5 different currencies. Rank the prices from least to highest.

\$605AUD, \$442USD, £326GBP, ¥21200JPY, €378EUR

1)	2)	3)	4)	5)
----	----	----	----	----

- 2) Steven is deciding where he can vacation for the cheapest cost. He found out the price of an average dinner cost for 5 different countries. Rank the countries from cheapest to most expensive.

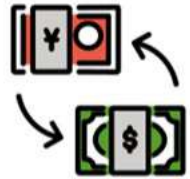
Japan - ¥2415JPY, Australia - \$25.95AUD, England - £22.32GBP,
USA - \$27.53USD, Belgium - €21.38EUR

1)	2)	3)	4)	5)
----	----	----	----	----

Examples of Currency Exchanges

People are spending money in other countries more and more. With the use of the internet, we can access stores from countries around the world with a single click. When we buy goods or services in other countries, we use our Canadian money to buy things that are in other currencies.

Goods are things we can hold, while services are when people or businesses help us with something we need.



Goods

Think of 3 goods you might buy from another country

	Goods (example - surfboard from California)
1)	
2)	
3)	

Services

Think of 3 services you might buy from another country

	Services (example - A web designer from England)
1)	
2)	
3)	

Scenarios

Brainstorm 3 scenarios where you would require transferring money to another country

	Scenario (example - sending money to a friend in another country)
1)	
2)	
3)	

Researching Currencies Around the World

Research online 10 different currencies and compare them to our Canadian currency. You can use the keywords on Google: "currencies around the world" to find a list of all the currencies used around the world.





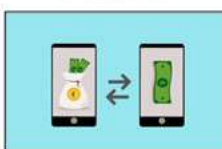

Tip: To find the value per 1CAD, type in, "CAD to (name of other currency)" on Google

Research

Fill in the table below with your research

	Country	Currency Ex. Canadian Dollar	Currency Code Ex. CAD, USD	Value Per 1CAD ("CAD to ...")
1)				
2)				
3)				
4)				
5)				
6)				
7)				
8)				
9)				
10)				

Transferring Money – Pros/Cons

<u>Methods of Payment</u>	<u>Advantages (Pros)</u>	<u>Disadvantages (Cons)</u>
<p>Cash</p> 	<ul style="list-style-type: none"> - Controls your spending because you can't spend money you don't have - No extra fees of using a card - You can get cash from other currencies before travelling so that you don't pay extra conversion fees 	<ul style="list-style-type: none"> - You can lose cash - If cash is stolen, it's gone for good - Transactions take longer - Can't pay for online purchases - Conversions are done manually and the business gets to decide which rate they will give you (could be unfair)
<p>Credit Card</p> 	<ul style="list-style-type: none"> - Can buy things you don't have now - Can pay with now - Can use that allows you to buy things for the future - Can use for payments - Rewards - You can use other credit cards - all over the world 	<ul style="list-style-type: none"> - Easy to overspend with money you don't have which can lead to debt - You pay interest (average rate is 18%) - Credit card monthly fees - If you miss payments, you can damage your credit score - You will be charged up to 3% of your purchase if you buy something using a different currency
<p>Debit Card</p> 	<ul style="list-style-type: none"> - You can only spend money you have which leads to less debt - Less or zero fees - Can use for online purchases - Quick payments using tap feature - Allows access to interest-earning bank accounts - Can buy things all over the world because your bank will convert your money to other currencies 	<ul style="list-style-type: none"> - Can run out of money and not be able to buy things you might need - Can earn general card points - Does not raise credit score - Can't use the debit card - Risk of fraud - You will be charged for your purchase if you buy something in a different currency
<p>Electronic Money Transfer</p> 	<ul style="list-style-type: none"> - Can pay for things without using debit or credit card - Can send money to anyone with an email address or phone number - You can only send money you have which saves you from debt 	<ul style="list-style-type: none"> - Can't access credit - Could send money to wrong address - There is a limit on how much you can send using an EMT - High fees for sending transfers - Cannot send an e-transfer from a Canadian bank to another country
<p>Online Payments</p> 	<ul style="list-style-type: none"> - Access your bank account to buy things online - Send money to other people and businesses in other countries - Can use different platforms like PayPal to access credit/debit cards 	<ul style="list-style-type: none"> - Will pay conversion fees of around 3% to buy things in other currencies using online payment platforms - Many online stores charge an extra 2% to convert your currency to their sale currency.

PREVIEW

Explain

Which 2 advantages/disadvantages do you think are most important?

1) Credit Cards	<u>Most Important Advantages/Disadvantages</u>
Advantages	
Disadvantages	

2) Debit Card	<u>Most Important Advantages/Disadvantages</u>
Advantages	
Disadvantages	

3) Cash	<u>Most Important Advantages/Disadvantages</u>
Advantages	
Disadvantages	

Payment in Other Currencies

Rank	Currency		CAD
1)	US Dollar (USD)	1USD	\$1.25
2)	Euro (EUR)	1EUR	\$1.45
3)	Japanese Yen (JPY)	1JPY	\$0.011
4)	Pound Sterling (GBP)	1GBP	\$1.70
5)	Australian Dollar (AUD)	1AUD	\$0.92

Making payments in other currencies comes at a cost. For most payment methods, the average cost is 3%.

Example – If something costs €10 EUR, it will cost us $10 \times 1.45 = \$14.50$ CAD plus an addition 3% of the purchase price in CAD (14.50×0.03). This means we need to add \$0.44 to our total = \$14.94 CAD.

Calculate the total cost of all the items in CAD with a 3% conversion fee

	Cost Purchase Price (P.P.)	CAD Exchange Rate	3% Conversion Fee of P.P.	Total Cost
1)	\$20 USD		\$0.75	\$25.75
2)	\$60 USD			
3)	¥2000 JPY			
4)	€85 EUR			
5)	£175 GBP			
6)	\$252 AUD			
7)	\$750 USD			
8)	€29.42 EUR			
9)	¥22512 JPY			
10)	£5630.35 GBP			

Methods of Payment – Poster Assignment

Design a poster that a bank would use to promote the use of a method of payment.

Consider the following in your poster (Success Criteria):

- Highlight one important advantage of the payment method (include currency conversion)
- Use a slogan or one line to highlight this advantage
- Use a large title
- Use less text to keep the poster visually appealing
- Use graphics and pictures to help explain your message
- Fill the poster completely and do not waste space

Plan your poster in the organizer below to prepare for creating your poster

1) Which method of payment will you choose?

2) What will the title of your poster be?

3) What text will you include on your poster? Sketch your text below.

4) What pictures will you draw? Practice them below.

Sample Poster

Choose Debit



-No Interest!
-only a 3%
currency
conversion

They would all use your debit card wherever you need!



Name: _____

22

Curriculum Connection
F1.1

Methods of Payment

PREVIEW


Social Media Post: Help Making a Financial Plan


@MoneyGoals101: 


Yo, how do you actually make a solid money plan so you can hit a big goal, like buying a car or starting a small biz, without going broke?

7:15 AM - 22/02/2025 - 3,403 SHARES 7,126 LIKES



 @CashQueen88: Step one—figure out all your income sources. Hourly wage, salary, tips, commission, profits from a side hustle, even interest from your savings account. More streams = more money to your goal.
12 LIKES


 @BudgetBro: Don't get fooled by your gross income. Taxes, CPP, EI, and taxable benefits (what you get in your pocket) is smaller. Always plan based on the take-home pay.
7 LIKES


 @FinanceNerd: When you do investments, track both gains AND losses. Making \$500 in stocks is not the same as losing \$200 elsewhere else changes your actual earnings.
11 LIKES


 @CashQueen88: Track every expense—utilities, phone, food, Netflix, gas, even random stuff. Once you know where your money is going, you can cut what's not helping.
5 LIKES


 @BudgetBro: Watch those subscriptions. Streaming services, concerts, and travel are cool, but they can slow down your savings. Look for free events for a free event sometimes.
26 LIKES


 @FinanceNerd: Health + dental coverage matters. It's expensive, but not having it can lead to huge medical bills later, which can destroy your savings goals.
31 LIKES


 @CashQueen88: Running a business? Think scale. Hire help to take more orders, buy in bulk to save money, or raise prices just enough to cover costs without losing customers.
99 LIKES


 @BudgetBro: Bulk buying is a huge win for saving costs, especially for businesses. Less per unit means more profit, as long as you don't overstock stuff that won't sell.
65 LIKES


 @FinanceNerd: Automate your savings so a set amount goes straight to your interest savings account or investment. That's passive income while you sleep.
14 LIKES

 @CashQueen88: Short-term goals (like \$500 in 2 months) keep you pumped, but don't forget the long-term ones (like \$5k in 2 years) so you don't blow all your savings halfway.
67 LIKES

 @BudgetBro: If your income changes—like seasonal work or commission jobs—plan for those low months by saving extra during the high-income months.
17 LIKES

 @FinanceNerd: Always compare your budget to your actual spending each month. If you keep going over in one category, adjust it or cut something else.
312 LIKES

 @CashQueen88: Don't be scared to invest in yourself—courses, equipment, or tools that help you make more money in the future are worth the expense now.
14 LIKES

 @BudgetBro: End game: spend less than you make, save smart, invest wisely, and expect surprise costs. That's how you actually hit your financial goals.
432 LIKES

Questions

Answer the questions below using evidence from the text.

1) Why is it important to consider both income and expenses when setting financial goals?

2) What are some examples of expenses that could reduce profits from a business or job?

3) How do scaling and automation affect both income potential and expenses over time?

True or False

Is the statement true or false?

1) Step one is to figure out all your income sources.	T	F
2) Your gross income is more important than net income.	T	F
3) To reach a financial goal, you should understand your income and expenses.	T	F
4) Passive income is income you need to work hard to make.	T	F
5) Investing in yourself can help increase your income in the future.	T	F

Opinion

Write a comment that you would add to this conversation

Username: _____ Date: _____

Gross vs Net Income

What is Gross Income?

Gross income is all the money you earn. For most people, their income comes from their work, but there could be other sources of income, such as lottery winnings, interest earnings, and the selling of assets and investments.



What is Net Income?

Net income is how much income is left after paying for non-negotiable expenses. For adults, taxes and retirement contributions are the most common costs.

Income Tax

Everyone who has income pays income tax. **Income tax** is a percentage of income that is paid to the government. The more income you earn, the more income tax you will pay.

An Example

For example, the average Canadian earns \$54,000 in gross income yearly. Earning this much means you will pay \$12,113 in income tax. This means the average Canadian takes home \$41,887 in net income. Someone with a gross income of \$100,000 will pay \$27,084 in tax for a net income of \$72,916.

Questions

Answers to Questions

1)	Alex earned \$38,413 from his employment. He also won \$12,000 from the lottery. He paid \$9340 in taxes. What is his net income?	
2)	Robert earned \$79,575 from his job. He sold a house he owned and earned an additional \$95,350. He paid \$53,538 in taxes. What is his net income?	
3)	Suzanne earned \$145,094 from her salary and from selling investments. She decided to contribute \$45,095 towards her retirement to put her total income under 100,000. She paid \$27,084. What is her net income?	
4)	Claire has her own business that earned \$278,500 last year. She paid \$100,000 in business expenses and paid the rest of the money to herself. In the end, she paid \$51,320 in taxes. What is her net income?	
5)	Zack earned \$134,048 from his job and from selling 500 shares of a stock he owned. He contributed \$25,000 to his retirement. His net income is \$81,304. How much income tax did he pay?	
6)	Willow earned \$51,530 from her job, \$34,520 from her side business and she sold stocks she owned for \$41,430. She paid \$42,405 in taxes. How much gross income did she earn?	
7)	John is a professional athlete who earned \$6,450,000 last year. He also earned \$650,000 for endorsements he did. He paid \$3,712,084 in taxes last year. How much net income did he earn?	

Income Tax – Gross/Net Income

Income Tax

You will pay more income tax when you earn more gross income. The table shows how much income tax on average is paid for each income tax bracket.

Although this is not exactly how accountants determine how much income tax you pay, it gives a good idea of how income tax works. In actuality, if you earn \$70,000 you will pay 7.5% on \$20,000, 15% on \$20,000, 21% on \$40,000, and 24% on \$10,000.

To get a real idea you can use the average tax rates displayed in the table. For example, if you earned \$83,540, you would pay 83% of \$20,000.00 in income tax. This would result in a net income of \$61,819.60.

Gross Income Bracket	Avg. Tax Rate
\$0 - \$20,000	7.5%
\$20,000 - \$40,000	15%
\$40,000 - \$60,000	21%
\$60,000 - \$80,000	24%
\$80,000 - \$100,000	26%
\$100,000 - \$150,000	28%
\$150,000 - \$250,000	31%
\$250,000 - \$500,000	39%
\$500,000+	50%

Questions

Determine how much income tax would be paid and the net income for each scenario.

	Gross Income	Income Tax	Net Income
1)	\$95,542	\$28,840.92	\$70,701.08
2)	\$42,826		
3)	\$91,542		
4)	\$105,635		
5)	\$474,268		
6)	\$3,547,852		

Word Problem

Answer the question below

Peter owns a company that made high earnings last year. He ended up earning \$273,049 but doesn't want to pay too much tax. He is debating contributing some money to his retirement so that he can bump down to the next lowest tax bracket.

- | | |
|--|--|
| a) How much will he need to contribute to his retirement to bump down? | |
| b) How much tax would he pay if he does contribute? | |
| c) How much will he pay if he doesn't? | |
| d) How much will he save on his taxes? | |

Exit Cards

Cut Out Cut out the exit cards below and have students complete them at the end of class.

Name: _____

Mark

a) Determine how much income tax would be paid and the net income

	Gross Income	Income Tax	Net Income
1)	\$82,500		
2)	\$610,000		
3)	\$2,240,800		

b) Maria made \$107,200 this year. She saved up \$10,000 for retirement and wants to use it to reduce her tax payment.

- If she applies the \$10,000 contribution, which bracket would she fall into?
- How much tax will she save by moving into a lower bracket?
- What will be her new net income?

Name: _____

Mark

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	Gross Income	Income Tax	Net Income
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b) Maria made \$107,200 this year. She saved up \$10,000 for retirement and wants to use it to reduce her tax payment.

- If she applies the \$10,000 contribution, which bracket would she fall into?
- How much tax will she save by moving into a lower bracket?
- What will be her new net income?

Evaluating Financial Plans

Questions

Read the profiles below and calculate if they met their financial goals

1) Emily is trying to save \$12,000 for college next year. She has 12 months to achieve her goal. Here are the details of her year long journey to achieve her financial goal.

- She earns \$1800 gross income a month from her employer
- She pays \$300 in taxes per month
- She is on a budget, spending \$75 a week
- She needs to pay \$1800 for a dental procedure

Did she reach her financial goal of \$12,000?



2) Jaxon wants to buy a new drum set for \$2500. He hopes to buy the drum set in the next 20 weeks. He has the following financial plan below:

- He will find a job that pays him \$25 an hour. He will work 10 hours a week.
- He will go out for lunch every week for \$10 each lunch
- He is planning to buy his own drum set. Drums are \$125 each.

a) Will he reach his financial goal of \$2500 in 20 weeks?

b) If Jaxon decided to work 12 hours a week, would he reach his goal? How much would he save?



3) Anthony wants to retire in 30 years. He is 25 right now. He wants to have \$2,000,000 in savings when he retires. His financial plan is listed below:

- He earns \$92,430 a year in gross income from his job
- He earns \$500 a month in dividends from his investments
- He earns \$300 in rental income from his rental property each month
- He pays \$27,302 in income tax each year
- He is on a budget, spending \$3,000 a month on expenses (house, car, phone, etc.)

a) Will he save \$2,000,000 by the time he is 55?

b) Oh no, at the age of 45, Anthony's expenses increased to 4,000 a month because he now spends \$1,000 on a medical issue. Will he still reach his financial goal at the age of 55?

Role Play: Financial Planning Role Play

Objective

What are we learning about?

Practise financial decision-making, budgeting, and communication skills by acting out real-life financial situations that include income, expenses, and tax considerations to reach a long-term financial goal.

Materials

What you will need for the activity.

- Scenario cards for role play.
- Simple props.



Instructions

How to complete the activity

1. Divide the class into small groups and have each group create a financial scenario card that includes a financial goal, income sources, expenses, and possible tax implications or deductions.
2. Have each group read their scenario and answer the following learning questions: What is the financial goal? What are the sources of income? What are the expenses? How do taxes or deductions affect the plan? What adjustments can be made to reach the goal?
3. Give each group time to create a simple financial plan showing how they can reach their goal while balancing income, expenses, and taxes.
4. Allow groups time to rehearse their role play and encourage them to include problem-solving strategies such as cutting expenses, finding extra income, or adjusting timelines.
5. Have each group perform their role play for the class, demonstrating how they make decisions to reach their financial goal.
6. After all performances, hold a class discussion where each group explains how they balanced income, expenses, and taxes, the changes they made to their plan, the challenges they faced, and how their decisions affected their ability to reach their financial goal.

Scenario Cards

Cut out the scenario below.

Role-Playing Scenarios

Starting a YouTube Channel – You want to grow a gaming channel to 10 000 subscribers in one year. Your income comes from ad revenue and sponsorships, but you also have expenses like equipment, editing software, and internet upgrades. You must plan how to invest in your channel without overspending.

Saving for a Sports Tournament Trip – Your basketball team has qualified for a national tournament in another province. You need to save \$1 800 for travel, hotels, and food. You earn money from part-time refereeing, but also spend on sports equipment and streaming subscriptions. Plan how to save enough in six months.

Buying a New Phone – Your current phone is slow, and you want the latest model for \$1 400. You earn money from babysitting and dog walking. Expenses include school lunches, music subscriptions, and streaming services. You must budget carefully while considering sales events to decide whether to buy now or wait for a sale.

Starting a Sneaker Resale – You want to buy limited-edition sneakers to resell for profit. You have \$500 to start with your weekly allowance, but you also spend money on clothing, gaming, and concert tickets. You need to plan purchases to maximise profit while managing expenses and taxes.

Planning a Concert Trip – Your favourite band is performing in a nearby city. Tickets, travel, and merch will cost \$450. You make money from mowing lawns and online tutoring, but also have expenses like Netflix, gym fees, and birthday gifts for friends. Plan how to afford the trip in three months.

Launching a Small Clothing Brand – You and a friend want to start a clothing brand for hoodies. You'll need to pay for materials, printing, and marketing. Your income comes from part-time work at a café, but you also spend money on transportation, gaming, and takeout. Plan to make a profit in four months.

Upgrading Gaming Setup – You want a new monitor, chair, and headset costing \$800 total. You earn from streaming tips and weekend work at a snack bar. You also have expenses like a phone plan, school trips, and snacks. Plan to reach your goal in five months without using credit.

Planning a Summer Business – You want to start a summer lawn care and dog walking business. You'll need to buy equipment and promote your services. You earn income from odd jobs but also spend money on clothes, outings with friends, and your gym membership. Create a plan to save for startup costs and still make a profit.

Tips For Reaching Goal

General Tips for Making and Managing Money

Tip	Explanation
Increase Your Earnings Over Time	Take on more customers, add extra hours, or offer new products/services to grow income steadily.
Set the Right Price	Charge enough to cover costs and make a profit, but not so high that customers choose competitors.
Balance Quality and Quantity	Work efficiently to take on more jobs, but keep quality high so customers return.
Use Bulk Buying for Savings	Buy supplies in bulk to reduce costs, but only if you can use all them before they go to waste.
Offer Extras or Upgrades	Add a low-cost extra that customers will pay more for, increasing profit with little added expense.
Save a Portion of Every Payment	Put aside a fixed percentage (like 10%) of all income so savings grow steadily toward your goal.
Avoid Spending All New Income	Increase earnings without increasing expenses, allowing you to reach your goal faster.
Plan for Busy and Slow Periods	Save more during busy seasons to cover expenses during slower times.
Reinvest Wisely	Spend part of profits on better tools, ads, or training to help earn more in the future.
Track Your Progress	Record money earned, spent, and how close you are to meeting your financial goal.

Two Stars And A
Wish

Identify two strengths (stars) and one area for improvement (wish) about your classmate's performance.

Write two strengths and one weakness of your classmate's performance.

PREVIEW



Interview with Financial Planner – Balancing Budgets

Kid: Hi! I'm here a Financial Planner. Can you explain what "balancing a budget" means?

Financial Planner: Sure! Balancing a budget means making sure your income (the money you earn or receive) is equal to or greater than your expenses (the money you spend). In Canada, about 1 in 3 households spends more than they earn, which can cause financial stress.

Kid: So what exactly counts as income?

Financial Planner: Income can be wages, salaries, commission, tips, investment returns, profits from a business, or even interest earned from savings. For students, income might come from part-time jobs, babysitting, or online selling.

Kid: What counts as expenses?

Financial Planner: Fixed expenses are regular payments that stay the same each month—like rent, insurance, subscriptions, or loan payments. They're predictable, which makes them easier to plan for. Experts say fixed expenses should ideally be no more than 50% of your monthly income.

Kid: And variable expenses?

Financial Planner: Variable expenses change from month to month. These include groceries, clothing, entertainment, and vacation costs. Because they're flexible, they're usually the first place to cut back if you need to save more money.

Kid: How much should I save?

Financial Planner: A common rule is the "50/30/20 Rule"—50% for needs, 30% for wants, and 20% for savings. For savings, aim for at least 10–15% of your income that can go into an emergency fund, short-term goals, or long-term investments like Registered Retirement Savings Plans or TFSAs (Tax-Free Savings Accounts).

Kid: What's an emergency fund?

Financial Planner: It's money set aside for unexpected events—like job loss, medical expenses, or car repairs. Financial advisors suggest having 3 to 6 months' worth of living expenses in your emergency fund.

Kid: How do you track all of this?

Financial Planner: You can use spreadsheets, apps, or even paper. Budgeting apps like Mint, YNAB, or PocketGuard automatically categorize your spending. Spreadsheets give you more control to customize categories and watch trends over time.

Kid: What happens if my budget isn't working?

Financial Planner: That's normal! Budgets aren't set in stone. If you overspend in one category, adjust your next month's plan. For example, if you spent \$50 extra on clothes, you might cut \$50 from entertainment. It's about finding balance.

Kid: What's your best advice for teens starting to budget?

Financial Planner: Start small. Track your spending for one month to see where your money goes. Then, set a simple budget—decide how much to spend, save, and adjust as needed. And remember, a budget is a tool to help you reach your goals, not a punishment.



True or False

Is the statement true or false?

1. Fixed expenses are costs that stay the same each month.	True	False
2. Variable expenses change based on how much you use or buy.	True	False
3. A budget only tracks how much money you spend.	True	False
4. Budgeting tools can include apps, spreadsheets, and notebooks.	True	False
5. Adjusting your budget is not necessary if your income changes.	True	False

Questions Answer the questions below.

1) How can using budgeting tools like spreadsheets or apps help manage money?

2) How could you start budgeting? What would you take?

Fill in the Blanks

Use the word bank to fill in the blanks.

spending	Spreadsheets	expenses	planning	saving	adjusted
----------	--------------	----------	----------	--------	----------

1. Budgets should be _____ when income or expenses change.

2. Fixed _____ are costs that remain the same each month.

3. Tracking _____ helps identify areas to save money.

4. Budgeting includes tracking both spending and _____.

5. _____ are a useful tool for balancing budgets.

6. Financial management skills improve with practice and _____.

Balanced Budget

A **budget** is a plan that lists the money you earn and the money you spend over a particular length of time. Budgets help people plan how their money is used so they can avoid wasting money on things they don't need.

Part 1 Calculate your earnings

If your job paid you \$20 per hour, how many hours would you want to work?
Fill in the table below.

	Hours	Income (Earnings) (\$)
Hourly pay		
Hours per week		
Hours per month (30 days)		

Part 2 Brainstorm the amount of money you would want to spend on each per month

Categories	Expense Money On Each Category Per Month
Food	
Rent/Mortgage	
Entertainment	
Cars	
Clothing	
Phone/TV/Internet	
Other:	
Total	

Part 3 Calculate your earnings, expenses, and savings for the periods of time below

Categories	Income	Expenses	Savings
1 Year			
5 Years			
10 Years			

Kai's Budget

Kai is a high school student who wants to save money for university. As part of his financial plan, he has created a budget to outline his income and expenses.



Part 1 Calculate Kai's total net income for one month

Income Source - Figures after taxes	Net Income Per Month
Part-time job - \$15/hour - 40 hours a month	
All-inclusive allowance - \$200 a week (4 weeks a month)	
Gifts from family - \$500 (sitting - \$125 a time - 4 times a month)	
Total Net Income	

Part 2 Calculate Kai's total expenses for one month

Category	Expenses Per Month
Food - \$8 a meal - 12 meals a month	
Clothing - 3 items a month - \$25 an item	
Entertainment - \$5 a day for 30 days	
Gas for car - 60L a month - \$1.35/L	
Total Expenses	

Part 3 Answer the questions below

1) Is Kai's budget balanced? Explain why or why not.

2) If Kai continues this budget for 4 years of high school, how much will he have saved for university?

Adult Budget

Brian has filled out most of his budget but needs help finishing it. Help him determine if he has a balanced budget.



Part 1 Fill in the budgets – income and expenses

Income		
Pay Period	Income	Income Taxes Owed (24%)
2 Weeks	\$2,750	
4 Weeks		
6 Weeks		
26 Weeks		
1 Year		
Total 1-Year Gross Income		
Total 1-Year Net Income		

Expenses	
Rent/Mortgage	12000
Utilities	4000
Food	8000
Cars – Transportation	3000
Entertainment and Recreation	4500
Personal Care - Lifestyle	4200
Phone/TV/Internet	2800
Miscellaneous	3000
Emergency Fund	5000
Total Expenses	
Service (Home - Expenses)	

Part 2 Answer the questions below

1) Is Brian's budget balanced? Explain why or why not.

2) What is one thing that surprised you about Brian's budget?

3) Brian received a \$1,000 a month raise. Where should he put the extra money in his budget? Explain your choice.

Typical Wages and Salaries in Your Community

Perform some research to learn more about the wages and salaries for different jobs/careers in your community. Wages are hourly rates, whereas salaries are how much income people earn per year.

Research

Fill in the table by researching different jobs in your community

Job/Career	Wages/Salary	Your Thoughts on the Income
Firefighter	\$85,085	"Firefighting is a tough job, so they earn their salary. Maybe I should consider firefighting as they make a good income"

PREVIEW

Introduction to Interest

What is Interest?

Interest is the amount of money earned from an investment or the cost of borrowing based on an interest rate.



Interest From Investments

We can earn interest on our investments, which means we are putting our money to work! If we invest \$100 in the stock market, we hope that one hundred dollars is worth more at the end of the year. The average interest rate return in the stock market over the last 100 years is about 10%. This means that after one year, your \$100 is now worth \$110.

Interest From Borrowing

Most people will need to borrow money to pay for things like cars, houses, or even water. Both household necessities. When we borrow money, we pay the lender (usually a bank) interest. The amount we pay in interest depends on the interest rate. A higher interest rate will require us to pay more back in interest. For example, if we borrow \$100 with a 15% yearly interest rate, we will have to pay back \$115 at the end of the year. It is important to shop around for the lowest interest rate.

Part 1

A bank pays 2.5% interest for your savings account - \$5 per \$100

Savings	Savings + Interest	Savings	Savings + Interest
1) \$200	\$205.00	5) \$	
2) \$425		6) \$27.25	
3) \$650		7) \$52.50	
4) \$875		8) \$112.50	

Part 2

You pay 19% interest on your credit card - for every \$100 you borrow you pay \$19

Debt	Debt + Interest	Debt	Debt + Interest	Debt	Debt + Interest
1) \$500	\$595	4) \$979		8) \$4623	
2) \$655		6) \$1742		9) \$6817	
3) \$827		7) \$2475		10) \$8659	

Part 3

Answer the question below

What are your thoughts on interest? Is paying a 19% interest rate fair?

Memory Game: Interest Version

Objective

What are we learning about?

To help students understand and remember key interest-related terms and examples by playing a matching card game.

Materials

What you will need for the activity.

- Memory Game cards (provided)
- Flashcards with terms and definitions related to interest
- A flat surface (table or floor) to lay out the cards.



Instructions

How you will complete the activity

1. Divide the class into groups of 3 or 4. Each group receives a set of Memory Game cards (provided).
2. Optional: have students match the terms with their definitions prior to playing the memory game (with the cards facing up). This will help them to learn the terms and definitions. Take these up as a class to ensure everyone understands the correct matches.
3. Have each group lay all the cards face down in a grid on a table.
4. The students take turns flipping over two cards at a time, trying to find a matching term and its definition.
5. If a student finds a match, they remove those cards from the grid and keep them.
6. If the cards do not match, they are turned back over, and the next student takes a turn.
7. The game continues until all the cards have been matched.
8. After the game, review the terms and definitions with the class.
9. Discuss why these terms are important to understand interests.

Cards

List of terms related to interest.

Terms	Definition
Interest	Extra money earned from saving or investing your money.
Simple Interest	Interest earned only on the starting amount of money.
Principal	The original amount of money you start with when you invest.
Interest Rate	The percentage used to figure out how much interest you earn.
Savings Account	A place at the bank where you keep money and earn interest.

PREVIEW

Cards

List of terms related to interest.

Terms	Definition
Earned Interest	The amount of money you make from your savings or investment.
Saving	Putting your money into something (like a bank or stock) to make more money.
Percent (%)	A way to show an interest rate – for example, 5% means 5 for every 100.
5% Interest	If you save \$100, you earn \$5 in a year at this rate.
\$200 at 5% = \$210	A savings example showing \$10 earned in interest after one year.

Cards

List of terms related to interest.

Terms	Definition
Compound Interest	Interest earned on the money you saved <i>and</i> the interest you already earned.
Annual Interest	Interest calculated once a year.
Savings Growth	The total increase in your savings from earning interest.
Bank	A place that keeps your money safe and pays you interest for saving.
Future Value	The amount your money will be worth after earning interest over time.

PREVIEW

Reflection

Answer the questions below.

1) Which interest term or concept that you learned about today was most interesting to you?

2) How does earning interest help you make better decisions about saving money?

3) What's the difference between a savings account and a CD? What interest rate is earned on it?

4) Why is the interest rate important when choosing where to save money?



Interest Rates

What are Interest Rates?

An **interest rate** is the percentage of money a lender (usually a bank) will charge you for you to borrow their money. You will need to pay the principal (the amount you borrowed), plus interest, which is an extra amount that makes it worth it for the lender to let you borrow money from them in the first place. If there was no interest, there would be no reason for the lender to let you borrow their money.

Examples of Interest Rates

Pretend you have a friend who needs \$50 to buy a video game. You could be a nice friend and lend it to them for free, or you could charge them interest. The amount of interest you charge them will be the interest rate.

Most lenders have terms on the repayment of the loan. Most lenders charge an annual interest rate, which means you pay the percentage of the loan yearly. In this example, you could tell your friend that they will owe you 10% more each year if they don't pay back the loan. This would mean you are charging them an extra \$5 for borrowing the \$50 and they will owe you \$55 in one year.

Factors Affecting Interest Rates

Not all banks and lenders give the same interest rate for borrowing money. That is why it is important to shop around for the best interest rate available. The following factors impact how much an interest rate is:

- People with good credit will tend to get lower interest rates. Having good credit means that you have a history of paying back your loans on time. You would likely charge a friend a higher interest rate if you were worried they wouldn't pay back the loan on time.
- The type of loan impacts the interest rate. A mortgage is a long-term loan that a lender provides for the purposes of buying a house. The lender does a lot of research to make sure the borrower can afford to pay back the loan. This makes the loan more secure and less risky for the lender. A typical mortgage interest rate is between 2% and 5%.
- Credit card loans are riskier because it is easier to sign up for a credit card than it is to qualify for a mortgage. Credit card loans are often not paid back on time, which means the lender is out the money they lent out. This means they need to charge a higher interest rate, usually between 15%-25%.
- Where you get the loan will also affect the interest rate. If you go to a bank, you will likely get a fair interest rate. Banks are regulated by the Canadian government, which means they abide by rules setup to protect people who borrow money. You can also get loans in the form of a "Payday Loan", which are usually short-term loans that are paid back when someone gets paid from their employer. These loans can be dangerous, as they are much more expensive than credit cards and other loans offered from the bank. For example, a payday loan of \$300 for 2 weeks will cost you \$45 extra. The same loan using a credit card would cost you \$6.15.



True or False

Circle whether the statement is true or false

1) All interest rates are the same regardless of who you are borrowing from	True	False
2) Riskier loans have lower interest rates	True	False
3) People with good credit usually get better interest rates	True	False
4) Credit cards have lower interest rates, between 2% and 5%	True	False
5) Payday loans are expensive, with high interest rates	True	False

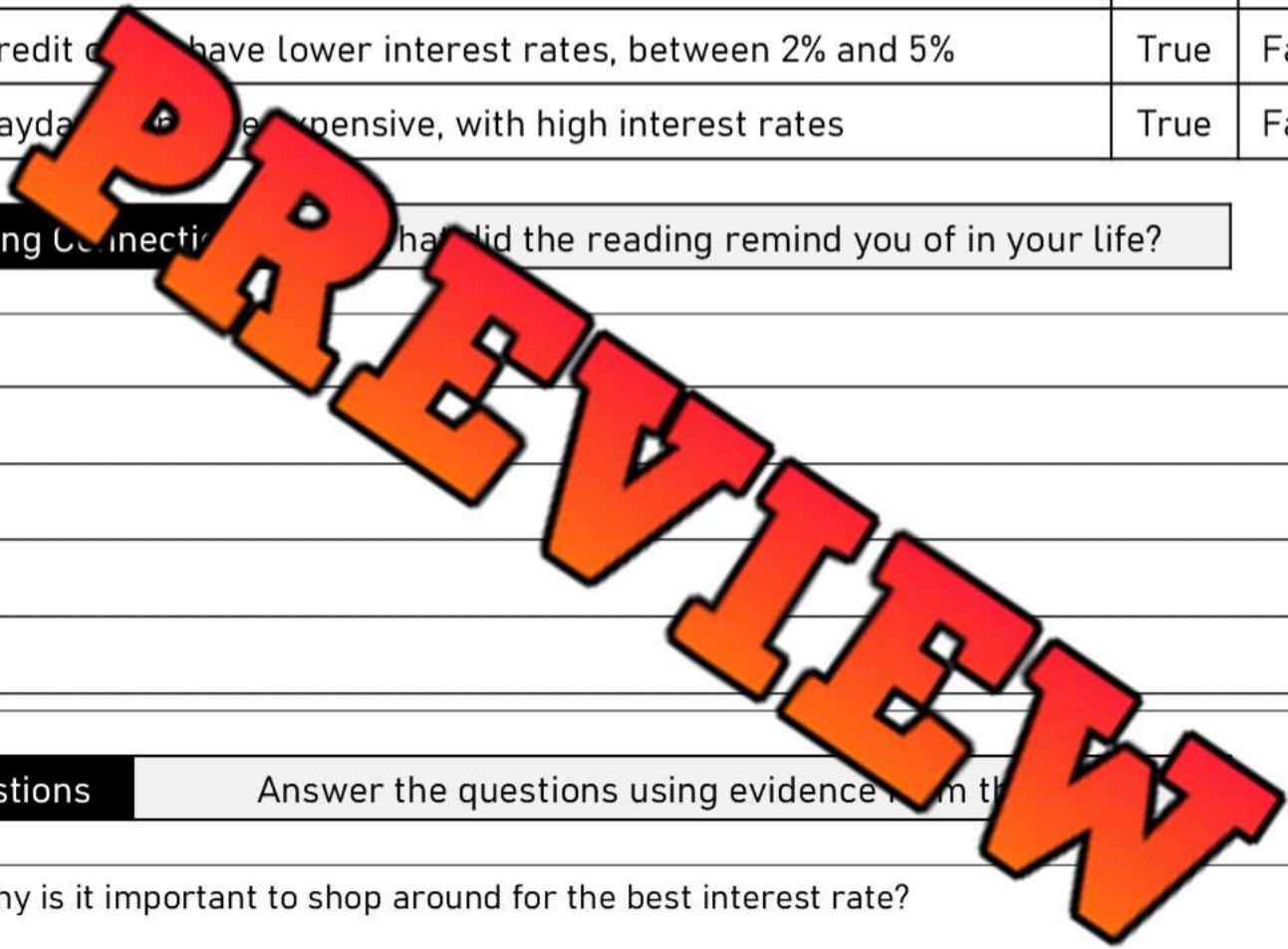
Making Connections What did the reading remind you of in your life?

Questions

Answer the questions using evidence from the text

1. Why is it important to shop around for the best interest rate?

2. Why do people and banks charge an interest rate?



Calculating Simple Interest

When we borrow money, we usually pay interest on the total amount we borrow. We call this amount the **principal**. Depending on the type of loan, the interest rates will vary.

Simple interest is interest paid on the principal amount. We can calculate simple interest by using the following formula:

Simple interest = principal x interest rate x time to pay back the loan

This will give us how much interest we will pay for our loan.

For example, if you owe \$5000 for a car loan with a 5% simple interest rate on a 5-year term. The amount of interest you will pay after the 5 years is $5000 \times 0.05 \times 5 = \1250



Part 1: Fill in the table to determine the cost of borrowing for 3 and 8 years

#	Principal	Interest Rate	3-Year Loan	8-Year Loan
1)	\$2000		\$300	\$800
2)	\$3500			
3)	\$6000	19%		
4)	\$10,000	8%		
5)	\$17,000	10%		
6)	\$25,000	4%		
7)	\$47,500	3.5%		

Part 2: Answer the questions below

1) Is it more or less costly to borrow money for longer periods of time. Explain why that might be the case.

2) Jake is borrowing \$8000 for a new car. The interest rate is 6%. He's not sure if he'll choose the 5- or 7-year term. How much will he save in interest on the 5-year term?

Calculating Simple Interest

Questions

Answer the questions below

1) If you borrow \$750 for 5 years with an annual interest rate of 8%, how much interest will you pay?

b) How much in total will you pay?



2) How much interest will you have to pay if you borrow \$525 for 2 years at a 12% annual interest rate?

3) If you borrow \$2175 for 3 years with an annual interest rate of 6%, how much interest will you pay?

b) How much will you pay in total?



4) If you get a mortgage loan for \$225 000 to buy a house with an annual interest rate of 2.56%, how much interest will you pay for a 25-year loan?

b) How much will the house end up costing you?



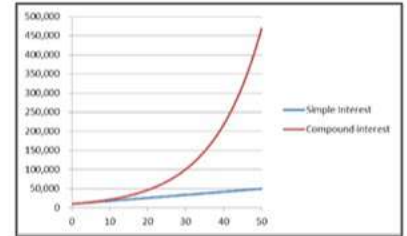
5) Ivy paid \$72 of interest when she borrowed \$800. Her father said she paid 9% interest, but she says she had to pay 12%. Who is correct?

Simple Interest vs Compound Interest

Overview - Simple Interest vs Compound Interest

Simple interest is based on the principal amount of the loan or deposit. This means the interest paid does not change. For example, if you borrow \$100 at a 5% annual interest rate, you will owe \$5 in interest each year until the loan is paid.

Compound interest is based on the principal amount and the interest that accumulates on it every period. For example, if you borrow \$100 at a 5% annual interest rate, you will owe \$5 after the first year, a total of \$105 the next year (\$5.25). The third year, you would owe \$110.25, which is \$5.51.



Question: Which graph display a simple or compound interest loan?



1) How do you know which type of loan this was? Explain

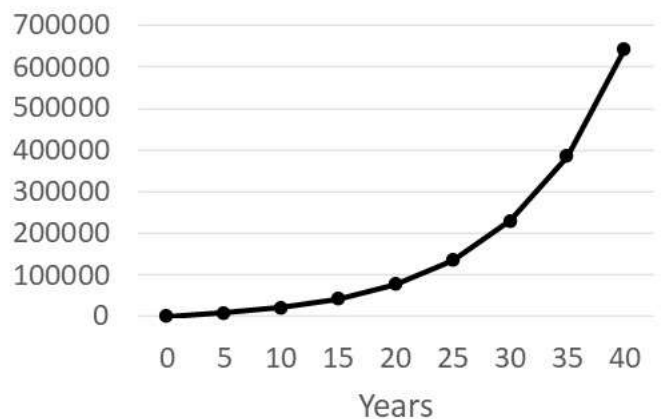
2) How much interest will be paid after 7 years?

3) Will this type of loan grow a massive amount of money over time?

1) How do you know which type of interest is being applied? Explain

2) What do you notice about the graph? Why isn't it linear?

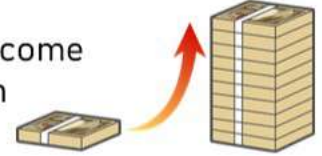
Money earned with \$100 deposit and \$100 Monthly Contributions (10%)



Compound Interest - Investing

When we invest money, we hope it will grow over time. The longer we leave an investment, the more interest the initial investment will earn, which leads to it being worth more. For example, if an initial investment of \$1000 grows 15% in a year, it will earn \$150 and be worth \$1150. If the investment keeps growing at 15% a year, the following year it will earn \$172.50 and will be worth \$1322.50.

Over the course of many years, an initial investment can grow to become a large amount! This is called compound interest, which Albert Einstein coined the wonder of the world!



Question Calculate how much the initial investment grows after 5 years

#	Initial Investment	1-Year 10% Total	2-Year 10% Total	3-Year 10% Total	4-Year 10% Total	5-Year 10% Total
1	\$200			\$266.20	\$292.82	\$322.102
2	\$750					
3	\$1000					
4	\$1,500					
5	\$2,100					
6	\$3,500					
7	\$72,000					
8	\$115,000					
9	\$150,000					
10	\$500,000					

Compound Interest - Borrowing

When we borrow money, we pay interest on how much we borrow. We need to consider how long it will take to pay back the debt before we decide to borrow. Borrowing money to buy things like a house or car are essential for most people even though those debts will take a long time to pay off. Luckily, mortgage interest rates are between 2-4% and car loans are typically around 5%.

On the other hand, borrowing to buy things we don't need can lead to us using credit cards to borrow. Credit cards have a 19% interest rate. Complete the table to see how credit card debt can become overwhelming with compound interest.



Question: How much interest is paid after borrowing for up to 5 years

#	Principal Borrowing Amount	1-Year 19%	2-Year 19% - Total	3-Year 19% - Total	4-Year 19% - Total	5-Year 19% - Total
1	\$100	\$119	\$141.61	\$168.52	\$200.53	\$238.64
2	\$250					
3	\$700					
4	\$1250					
5	\$2000					
6	\$2500					
7	\$2800					
8	\$3250					
9	\$5000					
10	\$15,000					

Compound Interest – Online Tool

Calculating compound interest is a complicated process. Fortunately, we can use online compound interest calculators to help us with the math. Using these tools helps us understand the importance of compounding interest, as it can get us in a lot of debt or earn us a lot of money.

Directions:

- 1) Search online: compound interest calculator
- 2) Type in the values from the table below to determine how much your investment or debt will grow.
- 3) Use the calculator to determine how much interest is compounded monthly for all your results



Part 1

Use the table below

#	Principal (Initial investment or borrowing amount)	Monthly Contribution	Interest Rate	Years to Grow	Total Value of Debt or Investment
1	\$100	\$100	10%	45	
2	\$500	\$50	8%	40	
3	\$2000	\$200	10%	30	
4	\$25	\$25	10%	40	
5	\$5000	\$100	9%	30	
6	\$8000	\$250	8%	20	

Part 2

Answer the questions below

1	What amount could you contribute now and each month? How much would you have in 40 years if you started today assuming a 10% return?	
2	Alex and Jeff are both 14 years old. Alex plans to contribute \$10 today and \$25 every month for the next 40 years. Jeff has more money now, so he will contribute \$2000 today, but only \$20 each month for the next 40 years. Assuming a 10% interest rate, who will earn more?	
3	Sam has two options for a compound interest loan. Option A is borrowing \$500 for 5 years with a 7% interest rate and option B is borrowing \$500 for 4 years with an 8% interest rate. Which will cost him more money?	

Compound Interest – Online Tool

Use an online compound interest tool to learn more about how you can reach different financial goals.

For example, to earn \$250,000 in 25 years, you could invest \$0 initially and add \$200 each month. At the end of the 25 years, you'll have \$267,578 with a 10% interest rate.



Part 1

Fill in the table with the minimum amount of contributions needed to reach the final goal. Do not use an interest rate above 10%.

#	Final Goal	Years	Principal (Initial investment or borrowing amount)	Regular Monthly Additions	Interest Rate	Investment Exact Value
1	\$2000			25	10%	\$2,117
2	\$5000					
3	\$25,000	7				
4	\$50,000	10				
5	\$100,000					
6	\$200,000					
7	\$500,000					
8	\$750,000					
9	\$1,000,000					
10	\$10,000,000					

Part 2

Answer the questions below

1) What did you learn about compound interest? Can small regular investments make a big difference in your savings?

2) If you invested the cost of a drink each day (\$2.50/day) for 30 years with an interest rate of 10%, how much would you have in 30 years?

Customer Loyalty and Incentive Programs

Incentive Programs

Businesses will do anything to sell more of their products and services. One popular marketing strategy is to offer incentive programs. An **incentive program** is designed to give rewards to customers to encourage them to buy or use their products or services.

Examples of incentive programs are:

- Free shipping
- Special sales – “Dollar Days” or “No Tax Days”
- BOGO Buy one, get one free
- Giveaway Buy something and receive a ticket to enter a giveaway



Customer Loyalty

Customer loyalty programs are used by businesses to get repeat business from customers. They are a form of incentive program. A **customer loyalty** program rewards customers with freebies or discounts to encourage them to buy more from the business. For example, Best Coffee Café gives 1 free coffee for every 10 coffees purchased.

It is very important for businesses to keep their current customers. Studies have shown that acquiring a new customer costs on average 5-25x more than re-selling to a current customer. Also, it was found that existing customers spent 67% more than new customers. This is likely because existing customers have a better experience with the business because they already have an experience with it.

Both the customer and the business benefit from using customer loyalty programs. The business benefits by having a customer base who will buy more products over and over. They may earn less per sale if they give discounts, but they benefit from a larger volume of sales. The customer benefits by getting things they want and need at a lower price. This gets them more value for their money.

Examples of customer loyalty programs are:

- Reward Programs – At Starbucks, customers earn stars when they spend money. They can use these stars to get free items
- Points Programs – Many grocery stores, gas stations, and credit cards offer points programs. When you spend a dollar in many of these establishments, you get 1 point. You can redeem these points for free items from a catalogue, or for money to be used at their business.
- Tiered Loyalty Programs – Sephora’s Beauty Insider program offers a tiered loyalty program. The more money you spend, the better the rewards you receive as you move up the tiers. At Sephora, members who spend \$350 enter the VIB tier where they get free gifts and one free makeover per year. If they spend \$1000 a year, they enter Rouge status with a private hotline and access to exclusive events.



Definitions

What do the terms below mean?

Term	Definition
Incentive Program	
Customer Loyalty Program	

Questions

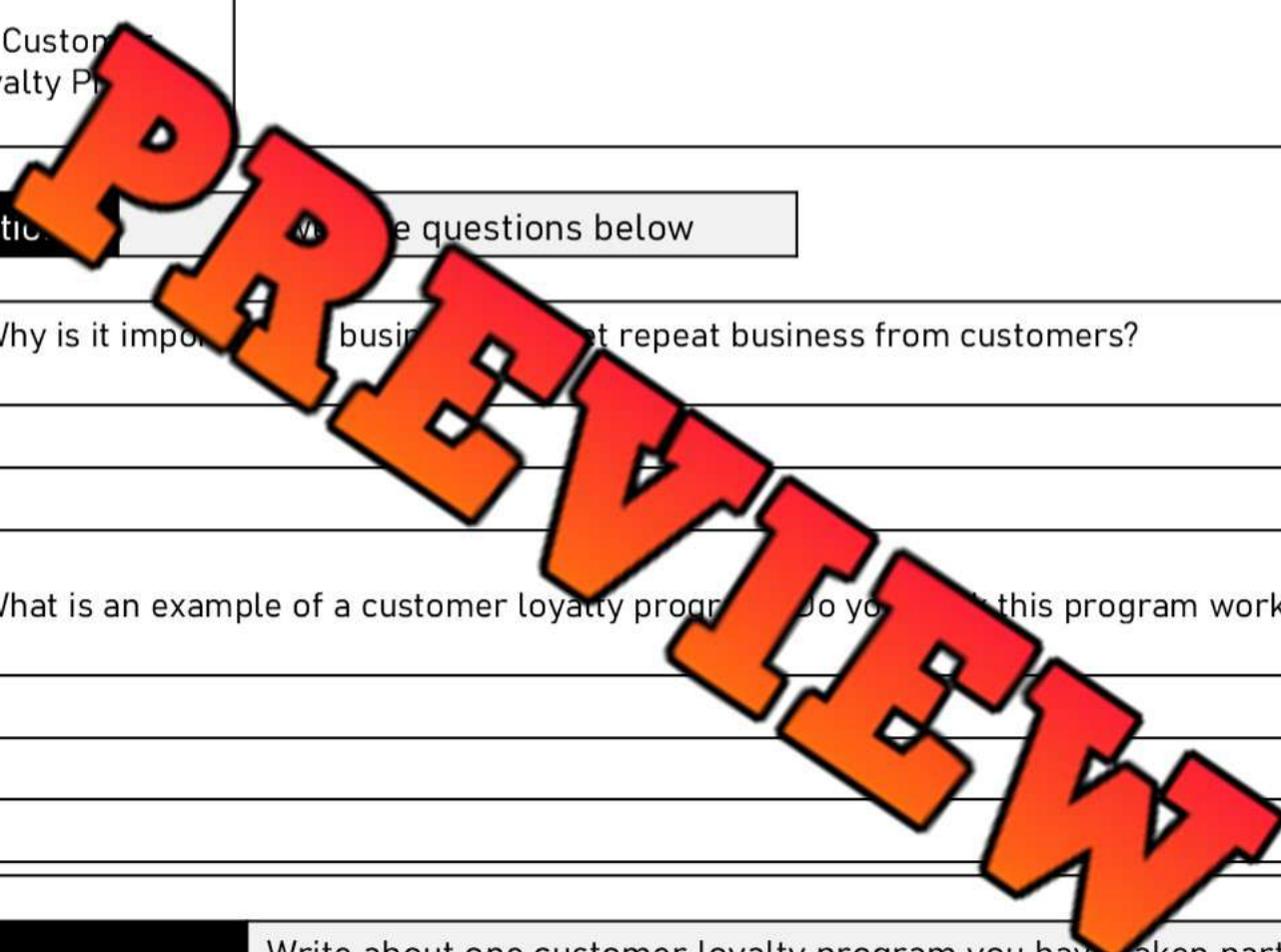
Answer the questions below

1) Why is it important for a business to repeat business from customers?

2) What is an example of a customer loyalty program? How does this program work?

Making Connections

Write about one customer loyalty program you have taken part in. How did you benefit from it and how did the business benefit?



Exit Cards

Cut Out Cut out the exit cards below and have students complete them at the end of class

Name: _____

Mark

/5

Is the statement true or false?

1) Incentive programs are only made to reward employees for meeting sales goals.	T	F
2) A "Buy One, Get One Free" deal is an example of a customer loyalty program.	T	F
3) In a points program, you must always redeem your points for cash.	T	F
4) Acquiring new customers is generally more expensive than keeping existing ones.	T	F
5) In Sephora's loyalty program, spending more leads to better rewards and access to exclusive services.	T	F

Name: _____

Mark

Is the statement true or false?

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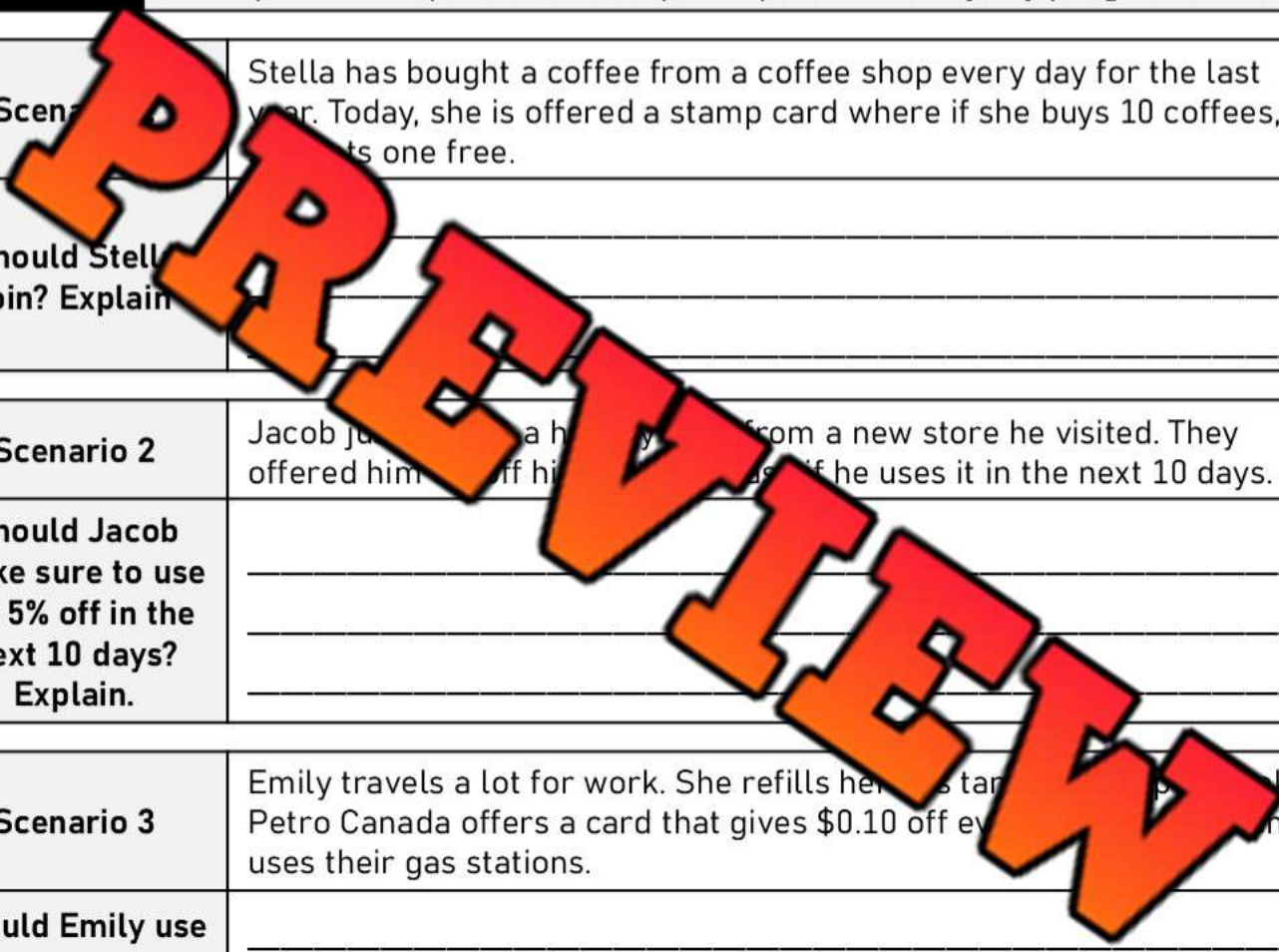
Evaluating Customer Loyalty Programs

Participating in customer loyalty programs has its advantages and disadvantages. When we use these programs to buy things we need, these programs are helpful in us getting more value for our money. But, when we are encouraged to spend money on things we wouldn't have normally bought, we may waste our money and regret not saving it.



Scenarios Explain if the person should participate in the loyalty program or not

<p>Scenario 1</p>	<p>Stella has bought a coffee from a coffee shop every day for the last year. Today, she is offered a stamp card where if she buys 10 coffees, she gets one free.</p>
<p>Should Stella join? Explain.</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>Scenario 2</p>	<p>Jacob just bought a hat from a new store he visited. They offered him 5% off his purchase if he uses it in the next 10 days.</p>
<p>Should Jacob make sure to use his 5% off in the next 10 days? Explain.</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>Scenario 3</p>	<p>Emily travels a lot for work. She refills her car's tank at Petro Canada. Petro Canada offers a card that gives \$0.10 off every time she uses their gas stations.</p>
<p>Should Emily use the card and go to only Petro gas stations? Explain.</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>Scenario 4</p>	<p>Ryan rarely stays in hotels, but he went to a Marriott Hotel yesterday. They offered him 100 points for every night he stays with them. If he gets 2000 points, he gets a free night stay.</p>
<p>Should Ryan join Marriott Hotel's loyalty program?</p>	<p>_____</p> <p>_____</p> <p>_____</p>



Research – Customer Loyalty Programs

Think of a brand and do some research into the customer loyalty program they offer. For example, search: "Nike Customer Loyalty Program" and you will discover that Nike has a membership program that offers you free shipping, workouts and training plans, as well as contact with Nike styling experts.



Research

Answer the questions below to complete your research

1) What brand/company did you choose?

2) How does the loyalty program work?

3) What benefits do customers receive from joining the program? Why would people join?

4) Do you think it is worth it to the customer to join the program? What are the advantages and disadvantages of joining the program?

5) Would you join this program? Explain your reasoning.

PREVIEW

Buying Second-Hand – More Value

Money is hard to earn, which means we should be careful when we spend it. Using these strategies can help you get more value for your money.

- 1) Taking part in customer loyalty and incentive programs
- 2) Waiting for things you need to go on sale
- 3) Purchasing second-hand items



Questions Answer the questions below

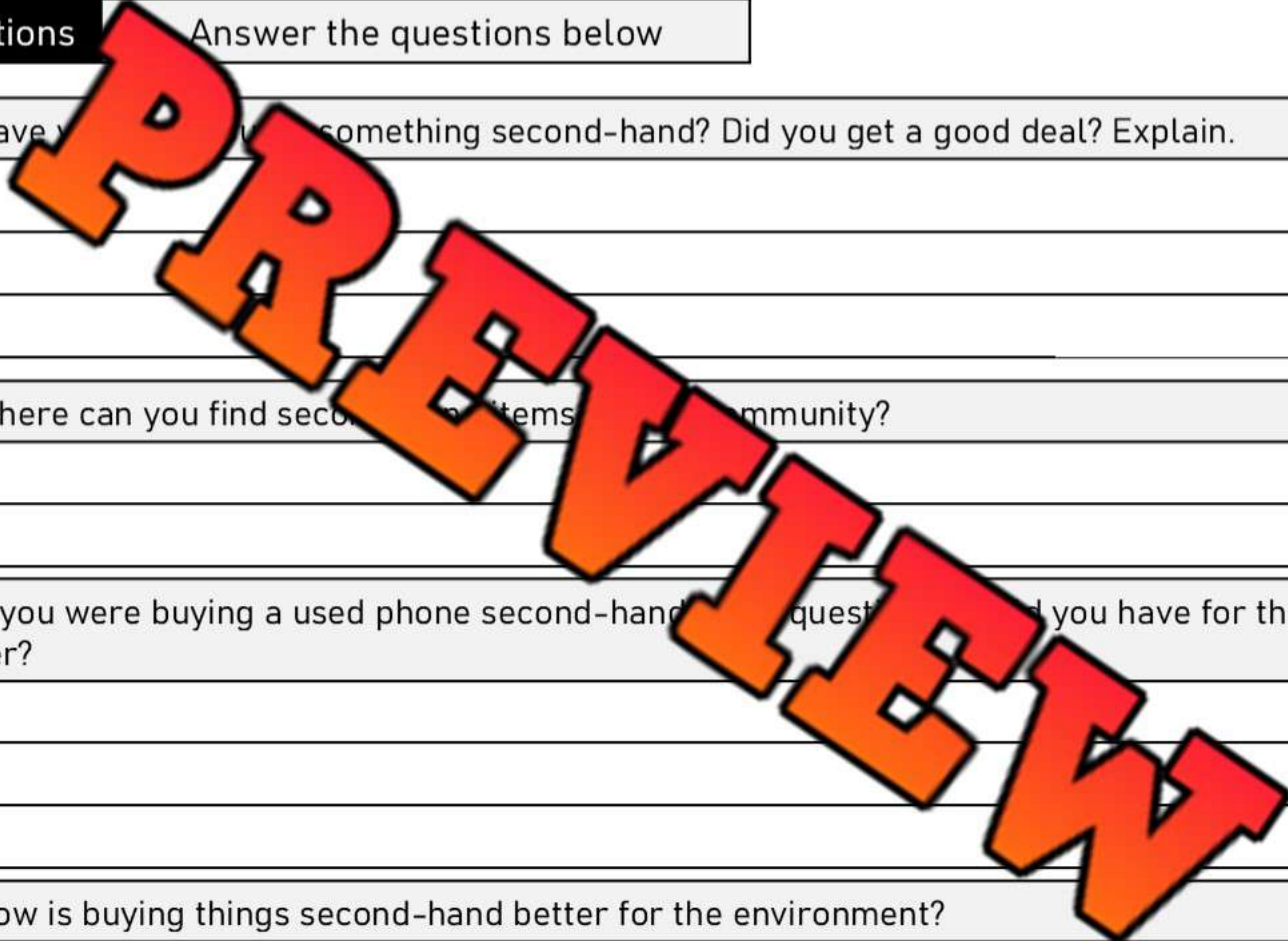
1) Have you ever bought something second-hand? Did you get a good deal? Explain.

2) Where can you find second-hand items in your community?

3) If you were buying a used phone second-hand, what questions would you have for the seller?

4) How is buying things second-hand better for the environment?

5) Buying things second-hand can be sometimes unsafe. How could you ensure your safety when buying things second-hand?



Choosing a Credit Card

Avion Travel Card

- Get 35,000 welcome points (value up to \$750)
- Earn 1 Rewards point for every dollar you spend
- Use Reward points to choose from a massive catalogue of awesome items
- 19.99% interest rate
- Cost per year \$120
- No foreign currency conversion fee

Rewards+ Card

- \$0 yearly fee – that's right, free!
- Get 1,500 welcome Reward points
- Earn up to 3,500 additional Reward points by getting your monthly statements sent by email
- Earn 1 Reward point for every \$1 spent on gas, grocery, and drug store purchases
- Earn 1 Reward point for every \$2 spent on all other purchases
- Use Reward points to choose from a massive catalogue of awesome items
- 18.99% interest rate
- 3% foreign currency conversion fee



PREVIEW

Decision Time!

If you were the person in each scenario, which account would you choose?

Scenario 1	Easton travels on a plane a few times a year. He also drives to the United States once a month. He likes to use his credit card there.
Which credit card should Easton choose?	<hr/> <hr/> <hr/> <hr/>
Scenario 2	Grayson travels a lot for his work. He goes on a plane a few times a year, but he drives a lot. He complains he spends too much on gas. He mostly stays within Canada.
Which credit card should Grayson choose?	<hr/> <hr/> <hr/> <hr/>
Scenario 3	Autumn is looking for a card that won't cost her much. She likes the idea of getting rewards but is more interested in low fees.
Which credit card should Autumn choose?	<hr/> <hr/> <hr/> <hr/>

Pros/Cons

Write the pros and cons of both cards below

Avion Travel Card

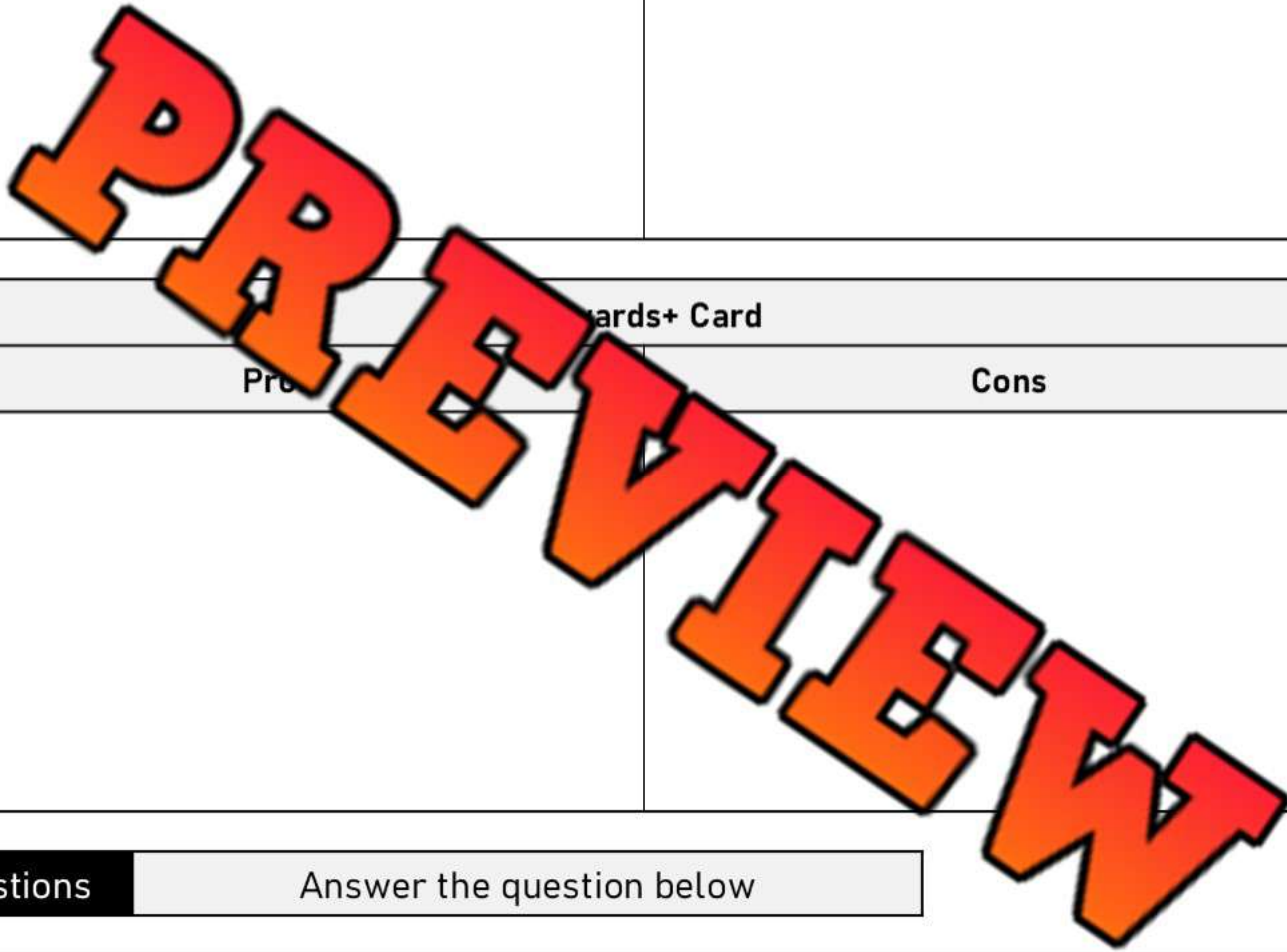
Pros

Cons

Rewards+ Card

Pros

Cons



Questions

Answer the question below

1. Which credit card would you choose? Explain your choice.

2. Do you think the rewards are as important as the interest rates? Explain.

Researching Credit Cards

Informed consumers do their research before making big purchases or before signing up for services, like credit cards. Do your research by comparing 2 different credit cards. Most banks offer their own credit card services. Search whichever bank you are most interest in.

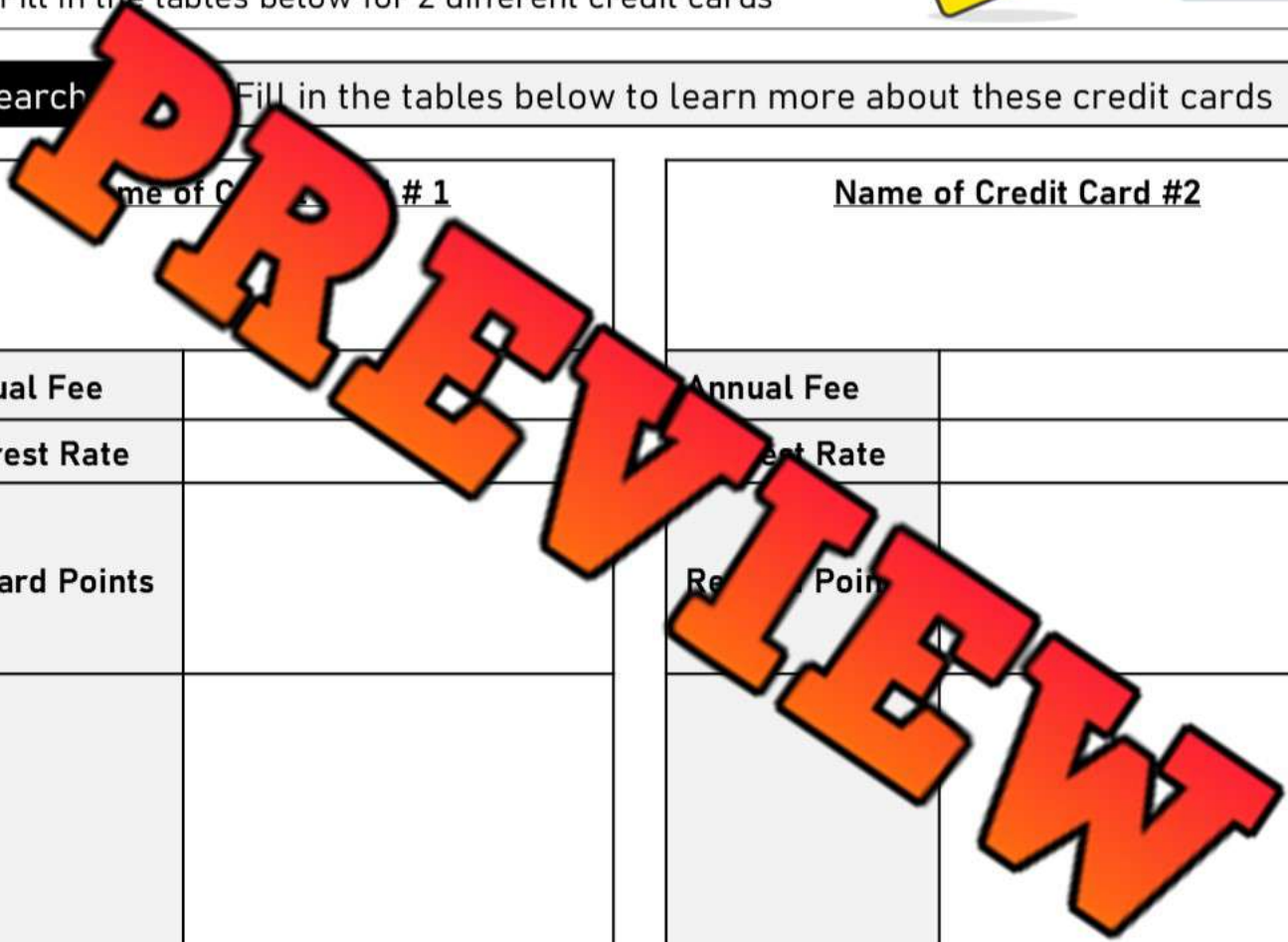
Directions

- 1) Search online: (name of your bank) credit card offers
- 2) Fill in the tables below for 2 different credit cards



Research Fill in the tables below to learn more about these credit cards

Name of Credit Card # 1		Name of Credit Card #2	
Annual Fee		Annual Fee	
Interest Rate		Interest Rate	
Reward Points		Reward Points	
Other Offers		Other Offers	



Create Credit Card Offers - Assignment

Assignment

You are hired by a credit card company to make 2 credit card offers

You are hired by a credit card company to create 2 credit card offers that will make the company a lot of money, but will also entice customers to sign-up. Create two different offers, one with a higher annual fee and lots of rewards and one that is free with less rewards.



1) Who should get the first option of credit card? Describe the benefits.

2) Who should get the second option of credit card? Describe the benefits.

Consumer Contracts

A **consumer contract** is when a customer signs an agreement with a business for them to provide a service to them in exchange for money. Examples of some popular consumer contracts are:

- Cell phone contracts
- Internet and TV
- Music and video streaming services
- Video games/apps



When customers sign a consumer contract, they are signing up for a pre-determined length of time. For example, the average consumer contract for a cell phone is a 2-year contract.

When you sign a contract, you are agreeing to pay a pre-determined amount of money for the services you receive. If you use more than the services outlined in your contract, you could be charged extra charges. Extra charges need to be explained in the consumer contract.

It is important to shop around before signing a consumer contract. You should compare offers from different businesses to ensure you are getting good value for your money. Once you have signed a contract, you may not be able to get out of the contract until the agreed upon date. Many music and video streaming services are one-month contracts.

PREVIEW

Questions

Answer the questions.

1. Write down 5 specific consumer contracts that you use. Ex. Netflix

2. Why is it important to shop around before signing a multi-year contract?

Task

Create a cell phone contract below. Fill in the details to finalize the contract.

<u>Name of Cell Phone Plan</u>	
Monthly Cost	
Amount of Data in GB	
Canada-Wide Calling	

International Calling	
Text, Video, and Photo Messaging	
Number of Years of Contract	
Free Offers <i>Ex. Free tablet</i>	

Exit Cards

Cut Out Cut out the exit cards below and have students complete them at the end of class.

Name: _____

Why do you think companies want people to sign long-term contracts? Do you think it benefits the company or the customer more? Explain.

Name: _____

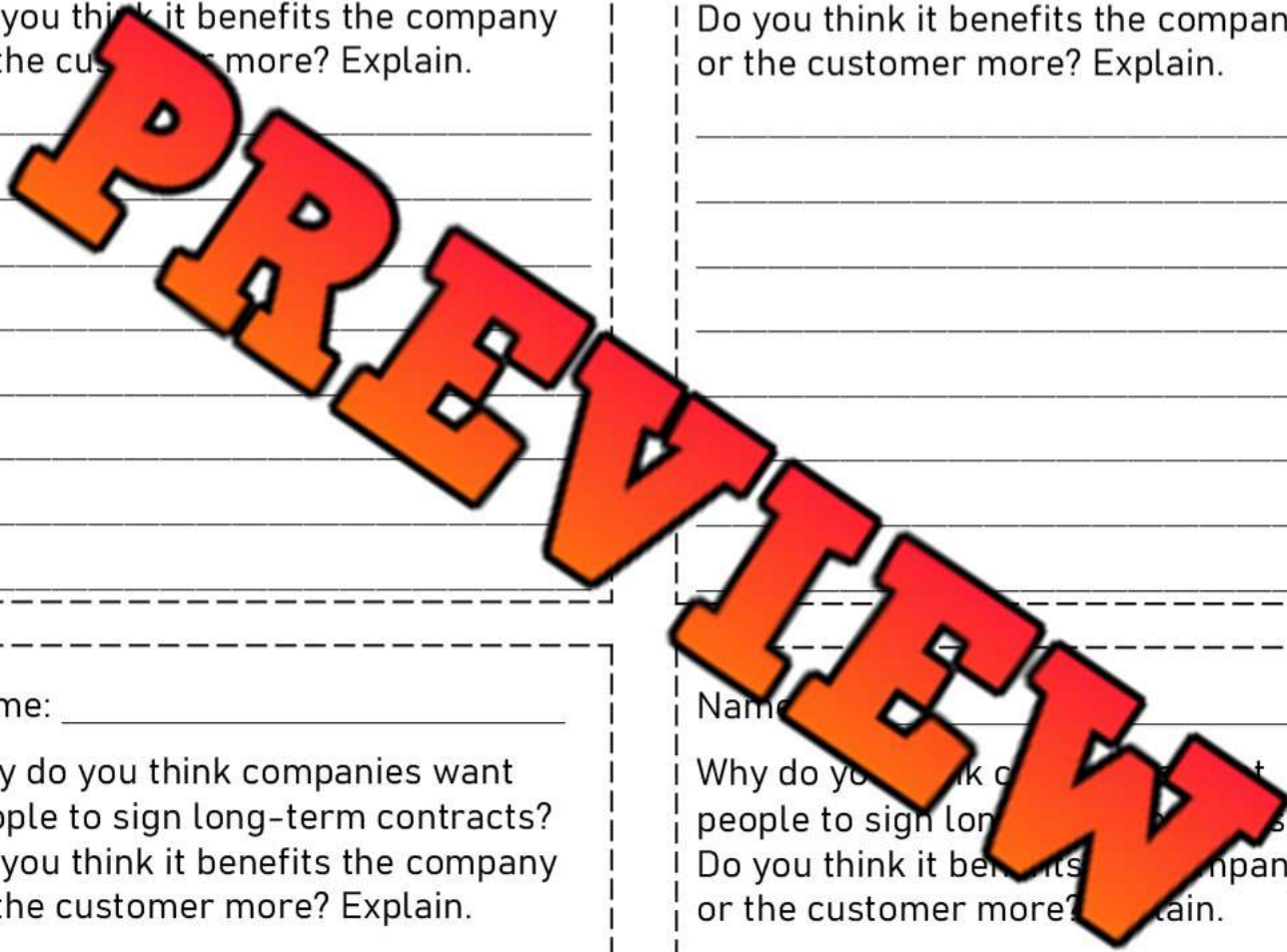
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Why do you think companies want people to sign long-term contracts? Do you think it benefits the company or the customer more? Explain.

Name: _____

Why do you think companies want people to sign long-term contracts? Do you think it benefits the company or the customer more? Explain.



Research Cell Phone Plans

Research

Find 2 cell phone plans online and fill in the details of each plan below

Buying a cell phone from most companies requires customers to sign a 2-year contract. Before signing a contract, customers need to understand how they plan to use the phone so they can choose a plan that fits their needs.

Name of Cell Phone Plan #1	
Monthly Cost	
Amount of Data in GB	
Canada-Wide Calling Details	
International Calling Details	
Text, Video, and Photo Messaging	
Free Offers	
Extra Details	

Name of Cell Phone Plan #2	
Monthly Cost	
Amount of Data in GB	
Canada-Wide Calling Details	
International Calling Details	
Text, Video, and Photo Messaging	
Free Offers	
Extra Details	



Pros/Cons

Write the pros and cons of both cell-phone plans below

Cell Phone Plan 1

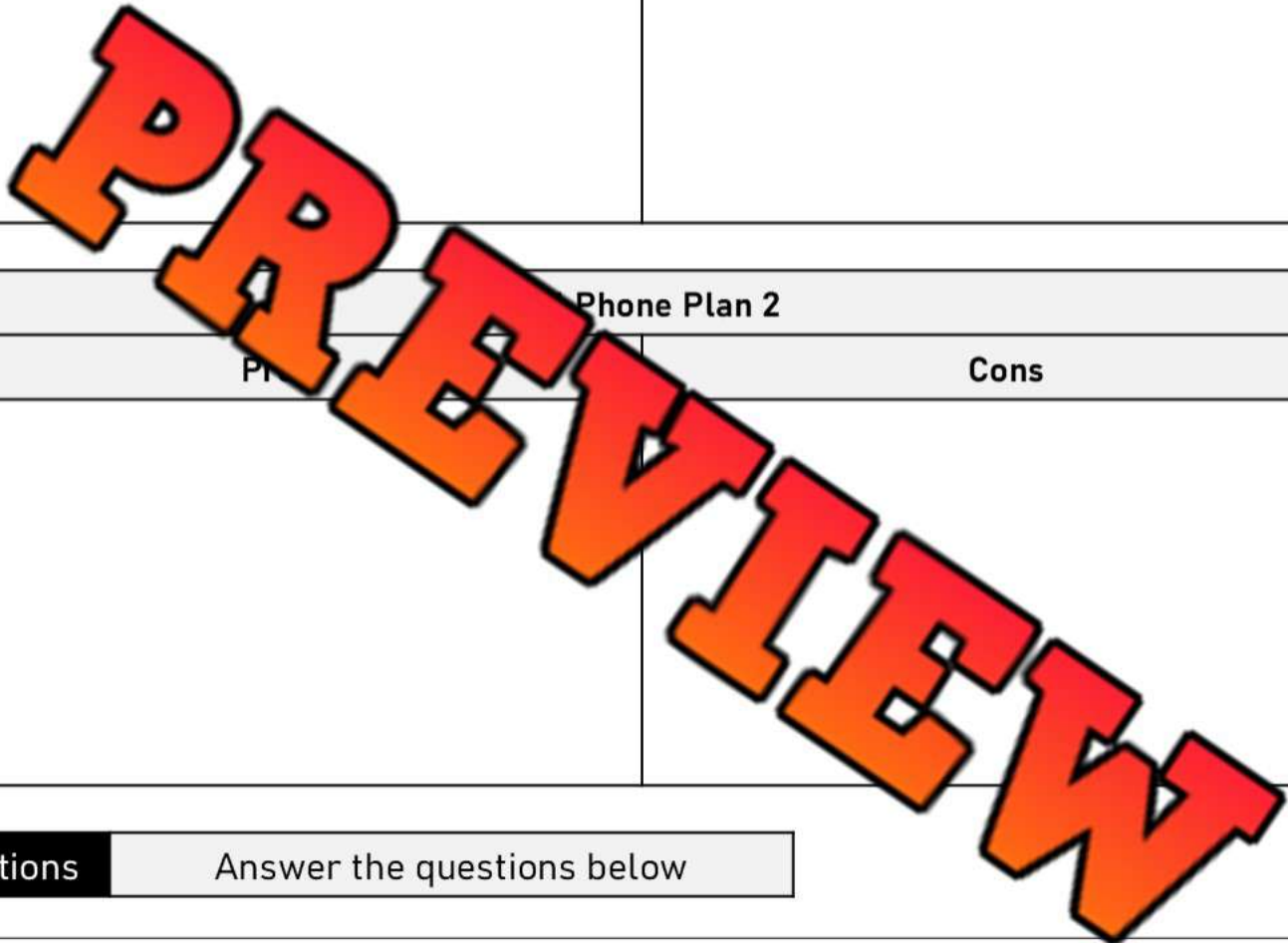
Pros

Cons

Phone Plan 2

Pros

Cons



Questions

Answer the questions below

1) Who should get the first option of cell phone? Explain why.

2) Who should get the second option of cell phone? Explain why.

Name: _____

Financial Literacy – Unit Test

	US Dollar	Euro	Yen	Pounds	Australian Dollar
\$1 CAD	\$0.80	€0.70	¥90.00	£0.60	\$1.10

	1 USD	1 Eur	1 Yen	1 Pound	1 Australian Dollar
In CAD	\$1.25	\$1.45	\$0.011	\$1.70	\$0.92

Part 1 Convert the CAD to other currencies

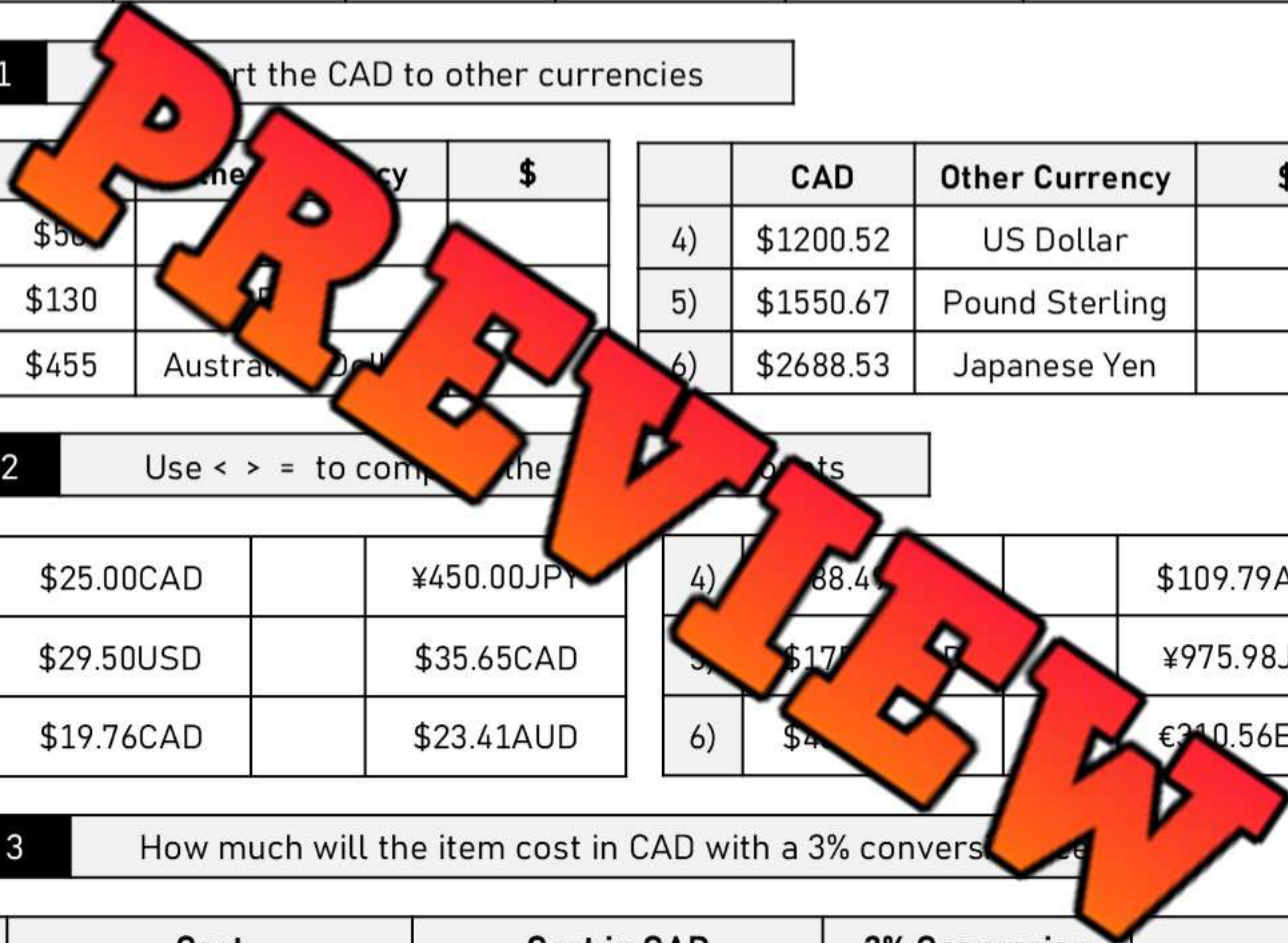
	CAD	Other Currency	\$
1) \$500			
2) \$130			
3) \$455		Australian Dollar	
4) \$1200.52		US Dollar	
5) \$1550.67		Pound Sterling	
6) \$2688.53		Japanese Yen	

Part 2 Use < > = to complete the points

1) \$25.00CAD		¥450.00JPY	4) 88.4		\$109.79AUD
2) \$29.50USD		\$35.65CAD	5) \$17		¥975.98JPY
3) \$19.76CAD		\$23.41AUD	6) \$4		€310.56EUR

Part 3 How much will the item cost in CAD with a 3% conversion fee

	Cost Purchase Price (P.P.)	Cost in CAD Apply Exchange Rate	3% Conversion Fee of P.P.	Total Cost
1)	\$25 USD			
2)	\$75.00 AUD			
3)	¥5000.75 JPY			
4)	€285.46 EUR			
5)	£486.85 GBP			



Part 4

Answer the questions below

1)	Charles earned \$63,500 from his job. He also earned \$12,500 from selling some investments. He paid \$11,343 in taxes. What is his net income.	
2)	Sofia earned \$52,750 from her job last year. She also earned \$1500 from her rental property each month. She paid \$18,300 in taxes. What is her net income?	
3)	Dexter earned \$72,670 from his job and \$18,345 from his side-job. He paid \$24,570 in taxes. What is his gross income?	
4)	Nicole earned \$67,704 from her job and she won \$575,324 from the lottery. She paid \$3,300 in taxes. What is her net income?	
5)	Lucas earned \$1,200 a month from his job. He also sold a rental property and earned \$10,000. He paid \$4,212 in taxes. What is his net income?	

Part 5

Fill in the table by determining the missing values

	Gross Income	Tax	Net Income
1)	\$95,542		\$70,701.08
2)		\$42,000	\$126,154
3)	\$98,542	\$28,483	
4)		\$26,456	\$75,499
5)	\$163,489		

Part 6

Calculate the cost of borrowing the principal for 3 and 8 years

#	Principal	Interest Rate	3-Year Loan	8-Year Loan
1)	\$3000	7%		
2)	\$4500	19%		
3)	\$7000	8%		
4)	\$12,000	5%		
5)	\$22,000	3.25%		

Part 7

Answer the questions below

1) If you borrow \$950 for 5 years with an annual interest rate of 8%, how much interest will you pay?

b) How much in total will you pay?

2) How much interest will you have to pay if you borrow \$725 for 2 years at a 12% annual interest rate.

Part 8

What do the following mean?

Term	Definition
Compound Interest	
Customer Loyalty Program	
Consumer Contracts	
Balanced Budget	
Gross Income	