

Money Matters

Workbook 2 Banking Basics



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MMCRBAB2023-10-30-1-EN

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ABC Life Literacy Canada gratefully thanks Founding Sponsor TD Bank Group for their generous support of *Money Matters*.

Printed in Canada

Distributed to organizations across Canada by ABC Life Literacy Canada.

Money Matters is delivered in Newfoundland and Labrador through the literacy and essential skills program Activate Learning.

Canada^{ca}

Activate Learning is funded in part by the Government of Canada's Adult Learning, Literacy and Essential Skills Program.



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Welcome to *Money Matters!*

We designed Money Matters to help you take better care of yourself by taking better care of your money. We'll talk about how to manage money online and in your daily life.

No matter who you are or what your situation is, it can be hard to think and talk openly about money. It can be hard even with people you know well. Be patient with yourself as you get started. As you learn more, you'll get better and better at managing your money. Then you may even begin to feel more comfortable.

When you feel good about your money management, you're less stressed. You have more energy for the things that are important to you.

What will you learn?

In today's workshop you will learn how to:

- Understand your bank account
- Know your rights related to bank accounts and cashing cheques
- Choose the right bank account for you
- Keep yourself and your money safe in your daily life and online



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Do you know American Sign Language (ASL)?

You can watch ASL videos of the information from the workbook. The playlist of ASL videos for this workbook is at:

<https://tinyurl.com/mv8ehawu>

You can also find the playlist by scanning this QR code on your mobile device.





Banking Basics

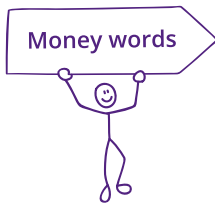
This workbook is about **banks** and banking. It's about the choices you can make about where to keep your money.

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You'll learn about **bank accounts** and which type might be best for your money needs.

The most common types of bank accounts are:

- **chequing accounts**
- **savings accounts**



A **bank** takes cash deposits, lends money, and provides other money services. You can set up a bank account at a bank.

A **bank account** is a safe place to put your money and help you save it.

Some types of bank accounts are savings accounts and chequing accounts.

A **savings account** is an account where you earn interest on the money you put into it.

A **chequing account** is an account where you can write cheques, pay bills, and do other personal money tasks. It pays little or no interest.



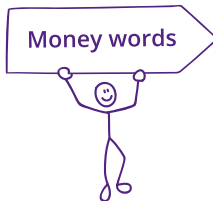
Getting in Touch With Your Money

Think about your money, your life, and your family. Where do you go when you need money or have a cheque to cash?

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Check the box next to the statement that sounds most like you:

- I have a bank account, and I like going to the bank.
- I would probably want a bank account if I knew more about them.
- Banks make me uncomfortable so I use a **cash store** when I need money.
- None of the above apply to me. Here's my situation:



A **cash store**, sometimes called a payday lender, is a business that cashes cheques or lends you money for a fee.

The fee is often much more than you would pay at a bank.

The money you get from a cash store is called a **cash advance** or a payday loan.



Let's talk about it

When you talk about money or go to a bank, do you feel uncomfortable?

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If you said yes, you're not alone. A lot of people do.

- Why do you think people might feel uncomfortable when they talk about money?
- What might help people feel more comfortable?
- How do you feel when you talk about money?
- How do you feel when you visit a bank?
- How do you feel when you use online banking?



Many people think all banks are the same. People think all banks offer the same services for the same price. But that's not true.



Meet Tenzin

Tenzin receives a tax credit in the mail from the Government of Canada. He is short on cash, and he needs money now. There's a bank open across the street. Tenzin doesn't think he can cash his cheque there because he doesn't have an account at that bank. Tenzin remembers that he has gone to a cash store before to get a cash advance, so he decides to visit the cash store again.

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A cash advance is a very expensive kind of credit. When you add up the fees, service charges, and the **interest**, a cash advance can cost you 500% to 600% of the money you get!



Interest and percentages

When you borrow money, you have to pay back the amount you borrowed plus a little extra. The extra is called **interest**.



Interest is a fee someone pays to borrow money. When you get a loan or use credit, you need to pay back the amount you borrowed plus interest. The amount of interest is usually shown as a percentage of the money borrowed.

When you put money in a savings account, the bank pays you interest.

Percentages are parts of 100. Another way to say percentage is "out of 100." The symbol for percent is %.

For example:

- 10% equals 10 out of 100
- 50% equals 50 out of 100
- 89% equals 89 out of 100



Money math: interest and percentages

Let's say you borrow \$100 from a cash store. When you borrow money from a cash store, you usually have to pay a fee, service charges, and interest when you pay back the loan.

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Let's say all the extra charges are 500% of your loan. How do you figure out the total amount you will have to pay back?

1. Multiply the percentage by the amount of money that you borrowed.

The percentage	500
The original amount borrowed	$\times \$100$
Total:	= 50,000

2. Divide the answer by 100.

If you borrow \$100 from a cash store, and the cost of the loan is 500%, you'll pay \$500 in fees.

	$50,000 / 100$
Total:	= \$500

3. Add the cost of the fees to the amount you borrowed. The total you pay back to the lender is all the extra fees plus the amount of money you borrowed.

The original amount borrowed	\$100
Cost of fees	$+ \$500$
Total:	= \$600

Borrowing \$100 from this cash store means you have to pay back \$600. That's a lot of money!



Work with a partner. Follow the steps above to figure out how much you'll pay if the loan costs you 600%.



What's my situation?

Read the statements below. Check the answers that sound most like the way you think about your money. There are no right or wrong answers. This activity is about you and your life.

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My situation	Yes	No	I don't know
1. I keep money in a savings account. I add to it whenever I can	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I have a chequing account and I use it	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. I understand the fees my bank charges for different things	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I read my bank statements or check them online regularly to help me understand my money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. I pay my bills online	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. I use my bank's app to check my account online	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. I use a bank or credit union to send money to family or friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. I only take out a loan if I have a plan to pay it off	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. I use cash stores	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. I visit websites to learn more about financial services and products for my family	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. I talk with my family or friends about money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



True or false

Read the sentence below. Then talk about it with a partner or group.

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A Canadian bank must cash your **Government of Canada** cheque for free, even if you're not a customer.

Circle one: **True** **False**

Ask your partner or group what they think.

- Do they think the statement is true or false?
- Why do they think that?



A **Government of Canada cheque** is a cheque issued to you from the federal government. Here are some examples of Government of Canada cheques:

- Employment Insurance
- Old Age Security
- GST/HST credit
- Canada Child Benefit
- Income Tax refund



Let's talk about it

Talk about these questions as a group or with a partner:

- Where do you cash your Government of Canada cheques?
- Do you pay someone to cash your cheques?
- How much do you pay?



Your money rights

Did you know that you have rights when it comes to banking and cashing Government of Canada cheques? Here are some important rights you have.

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1. You have the right to cash your Government of Canada cheque for free.
2. You can cash a Government of Canada cheque for free at any bank, even if you don't have a bank account there.
3. You can cash your Government of Canada cheque at any bank in Canada that has a **customer service representative**.
4. If your Government of Canada cheque is for more than \$1750, a bank can decide not to cash it.

This information is from the Financial Consumer Agency of Canada.



A **customer service representative** is a bank worker who can help you open a bank account or cash a cheque.



Two surveys asked Canadians about using cash stores. Almost a third of the people cashed Government of Canada cheques at cash stores and paid big fees. That's 1 out of every 3 people. But they could have cashed those cheques for free at any bank!

This information is from the Newcomer Finances Toolkit.

Each province and territory has different rules about cashing a provincial or territorial government cheque. Ask your instructor, or research your province or territory's rules so you know your rights.

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How to cash a cheque

You probably have some questions about cashing Government of Canada cheques. Let's take a look at some common questions.

Q. What do I need to cash my Government of Canada cheque at a bank?

A. Bring one piece of **photo identification (ID)** and the cheque to the customer service representative.

Q. What if I don't have photo ID?

A. You can still cash your Government of Canada cheque by showing two other pieces of ID.

Q. What if I don't have two other pieces of ID?

A. Someone can vouch for you by telling the bank that you are the person whose name is on the cheque. The bank needs to know this person.



Photo ID is a piece of identification that has your photo and your signature on it.

A driver's license or passport are examples of **photo ID**.



Let's talk about it

Talk about these questions as a group or with a partner:

- What can make it hard to get and keep some kinds of ID?
- What kinds of ID do you and your group members have?
Make a list.
- Could these kinds of ID be used to cash a cheque at a bank?



Kinds of ID

Here are some examples of ID that you could show at a bank to cash a Government of Canada cheque. You can also use this ID to set up a bank account.

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Check the box beside the kinds of ID you have:

Photo ID:

- A Canadian driver's license
- A Canadian passport
- A Certificate of Indian Status card
- A Permanent Resident card

Other kinds of ID:

- A Social Insurance Number (SIN) card
- A Canadian birth certificate
- An Old Age Security card with my SIN on it
- A debit card or bank card that has my signature on it
- A Certificate of Canadian Citizenship or Certification of Naturalization
- An IRCC form IMM 1000, IM 1442, or IM 5292



Money challenge

Don't have ID?

Talk to your instructor about how you can get a piece of ID. Then follow their advice to apply for it.

Getting ID can be difficult. Many cities have ID clinics to help you apply for ID. Ask someone at a local legal clinic or community centre if they know about an ID clinic that can help you. You can also try searching online for "ID clinic" and the name of your city.



Meet Riley

Riley has two children, a three-year-old son and a baby girl. She receives a monthly Canada Child Benefit cheque. Riley is thinking about starting a savings account for extra things the kids will need as they get older. She plans to deposit her Canada Child Benefit cheque into the savings account each month.

But Riley doesn't have any extra money right now. She thinks she has to wait to open the savings account until she has some extra money to put in it.

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Let's talk about it

Work with a group or partner to talk about Riley's situation.

- Does Riley need to wait until she has extra money to open a savings account?
- Imagine Riley doesn't have a job. Does that mean the bank won't let her open a savings account?
- Imagine Riley has had money struggles before, and had to declare bankruptcy. Does that mean the bank won't let her open an account now?



Your money rights

Under Canadian law, you have the right to open a bank account. You can open an account even if:

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1. You don't have a job
2. You don't have money to put into the account right away
3. You have declared bankruptcy before

This information is from the Financial Consumer Agency of Canada.



Let's talk about it

Talk about these questions as a group or with a partner:

- Is it hard to open a bank account?
- Do you have a bank account?
- How did you open your bank account?

Step by Step

What steps will Riley need to take to open up her bank account?



Answers

- Riley needs to go in person to the bank of her choice.
- She needs to show the bank her ID.



Kinds of bank accounts

You can choose between different types of bank accounts. Which type of account is right for you?

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1. **A savings account:** This account helps you save money. You'll earn interest on the money you put into this kind of account.
2. **A chequing account:** This account lets you write cheques, pay bills, and do other personal money tasks. You won't earn very much (or any) interest on the money in a chequing account.



Remember, bank accounts are products like anything else you might buy! Shop around for them by looking at different banks. Compare the perks and prices for each bank's types of accounts. Make sure you're getting the best account for you.



Let's talk about it

When you think about bank accounts, it helps to think about your money needs and your goals.

- What kind of bank account is best for you? Why?
- Do you have a bank account right now? Does it work well for you? Or would something else work better?



Low-cost bank account

One type of bank account is a low-cost bank account. You'll pay a fee to have this kind of account, but you'll get some benefits. This kind of account usually includes a maximum number of **transactions** you can make each month.

The fee for this type of account is usually about \$4 per month.

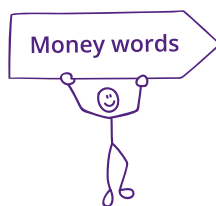
You'll pay extra fees if you use more services or make more transactions per month than your account includes. If you set up a low-cost account, make sure you know about the extra fees.

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What will I get with a low-cost bank account?

Many low-cost bank accounts include:

- as many free deposits as you'd like
- a **debit card**
- a book of cheques
- a statement or bank book that shows your transactions each month
- a small number of free **debit transactions** per month. Some banks include 8 to 15 free transactions, and some of them can be in person with a customer service representative



A **transaction** is when money moves into or out of your bank account.

A **debit card** is a card that lets you pay for things electronically directly from your bank account. For example, you can buy something at a store.

A **debit transaction** is any time you take money out of your account. For example, writing a cheque, using a bank machine, or paying with a debit card at a store.



What else can you do at a bank?

Banks offer many services. Some of them are included with your bank account, and some might cost you extra.

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If you think you might want to use one of these services, ask a customer service representative whether it's included with your bank account and if it has any fees.



Account statement

Your account statement is a list of all the transactions you made in a month. It shows how much money you have, how much you deposited, and how much you spent or withdrew. It also shows any interest or fees. You can get your account statement in the mail or online.



Direct deposit

Direct deposit is when you get paid directly into your bank account instead of getting a paper cheque. For example, you could get your paycheque or your Government of Canada payments direct deposited right into your bank account.



Online banking

You can use the internet to see how much money is in your account, pay bills, and deposit cheques into your account. Sometimes you can also do this using a bank's app on your phone or tablet. We'll talk more about online banking later in this workshop.



International money transfer or wire payment

A transfer or wire payment lets you send money to family and friends in other countries.



Credit cards

When you use a credit card, the bank loans you money to buy things. If you don't pay the money back in full every month, you'll pay interest on the total amount you owe. It's important to be careful not to spend more than you need to on a credit card.



Loans for cars and homes

Buying a car or a home is a big investment, and many people take out a loan from the bank to help them make these big purchases. You will usually make monthly payments until you've paid off the loan and interest.



Many banks offer packages of these different services: you pay a monthly fee and get a bunch of things. Read about the packages carefully so you can choose the package that makes the most sense for your life. That way, you won't pay extra fees for services you don't need.



Choosing a bank

Before you can choose a bank, it's important to think about what you need. What services are most important to you? Talk with a partner or group about what you should consider before choosing a bank. Here are some ideas:

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<input type="checkbox"/>	Does that bank have branches and bank machines near my home, school, or work?
<input type="checkbox"/>	What are the bank's hours?
<input type="checkbox"/>	What are the fees for the account I want?
<input type="checkbox"/>	How much interest will I earn on my savings account?
<input type="checkbox"/>	Can I write cheques? Do I pay a fee to write a cheque? Does it cost me money to order cheques?
<input type="checkbox"/>	Will I pay extra if I use a different bank's machine? How much?
<input type="checkbox"/>	Are the bank's customer service representatives friendly and willing to answer my questions?
<input type="checkbox"/>	Can I get information about my account online?
<input type="checkbox"/>	Is there an app for online banking?
<input type="checkbox"/>	
<input type="checkbox"/>	

Which three services are most important for you?

1. _____
2. _____
3. _____



Questions to ask the bank

What do you want to know about a bank before you set up an account there?

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Think about the list you made with the group and the three most important things you wrote down on page 18. What questions do you want to ask the bank to find out whether it has an account that's best for you?

My questions:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____



It's important to feel good about where you keep your money. Pick a bank where you feel like you are treated well. If anything about the bank or the customer service representative makes you uncomfortable, you can leave or ask to talk to someone else.



Be prepared

It’s ok to be nervous about visiting a bank to open an account. Preparing for your visit before you go can help you feel more confident.

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Work with a partner or group to brainstorm a list of questions a customer service representative might ask you. Then write out your answers to these questions.

Q. What kind of account do you want to open?

A. _____

Q. _____

A. _____

Q. _____

A. _____



Act it out!

Now it’s time to “act out” setting up a bank account. Choose a partner. One person will pretend to be the customer service representative and the other person will pretend to be a customer.

Ask the questions you wrote down on pages 19 and 20 to help guide the conversation. Don’t forget to ask about ID!

Then change roles so you each get to pretend to be the customer.



Online banking

You can do lots of things when you visit a bank in person. But you can also do these things online using your computer, tablet, or smartphone.

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Different banks let you do different things with **online banking**, like open a new account or pay your bills. You can visit or call your bank to ask them about their online and **mobile banking** services.

Here are some things you can do with online and mobile banking:

- Check your bank account activity and balance
- Pay your bills
- Move money between your bank accounts
- Send money to other people using **e-transfers**



Online banking is when you use your bank account on a computer connected to the internet.

Mobile banking is using a tablet or smartphone to do your banking, sometimes using an app.

An **e-transfer** is when you send money to someone else over the internet using a computer, a tablet, or a smartphone.



Let's talk about it

Talk about these questions as a group or with a partner:

- What are some reasons you might prefer to use online banking?
- What are some reasons you might prefer to visit the bank in person?
- Does one of these options seem better for you?



Phishing scams

When you're banking online, it's important to take steps to keep yourself and your money safe from **scams** like **phishing** calls or emails.

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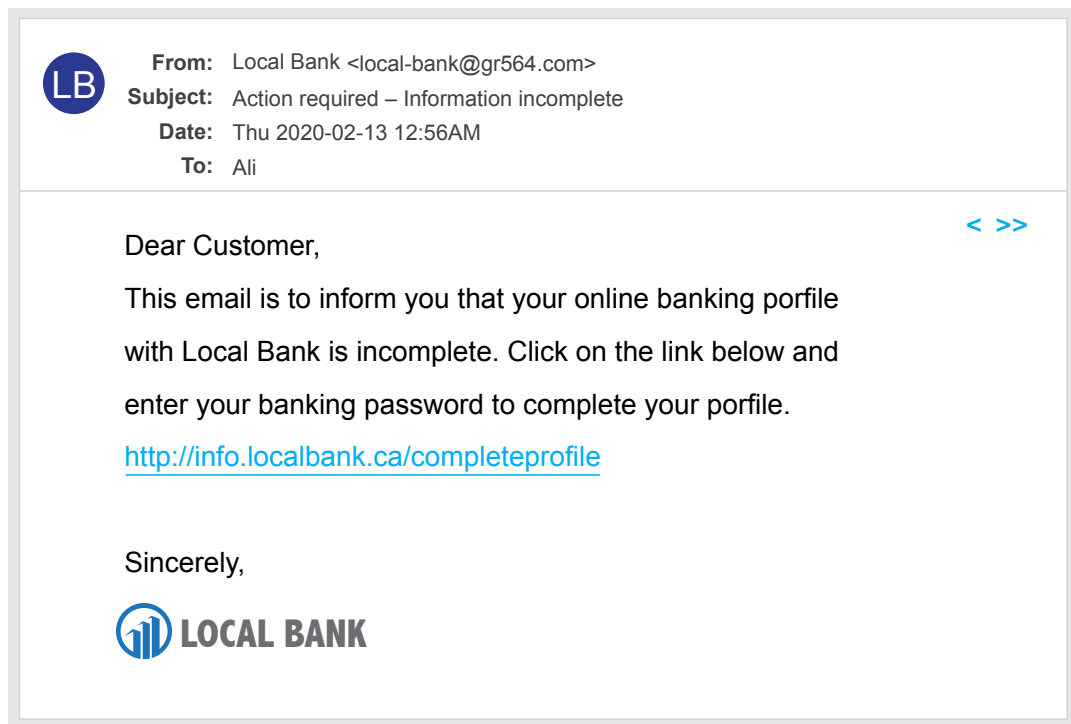


A **scam** is an illegal plan to trick people and steal from them.

Phishing is a scam that uses email, phone calls, or text messages. Phishing scams try to steal personal information from you. They usually pretend to be from someone you trust, like a family member or your bank.

If you think an email, call, or a text message is phishing, don't reply or share any information with them.

Here's an example of a phishing email:





How can you tell if the email is phishing?

Work with a partner or group to spot these clues:

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1. Sometimes phishing emails don't use your name. Phishing emails might use a different word like "Customer."
2. Phishing emails often have mistakes in them, like words that are spelled wrong. A professional email from your bank probably won't have mistakes in it.
3. Phishing emails usually ask you for personal information. Banks don't ask for your personal information in emails or text messages. Never give out personal information online or in text messages
4. Phishing emails might send you to a website where they will steal your personal information. Usually, official websites say "https://" instead of "http://". The extra "s" stands for "secure."
5. Phishing emails try to look like they're really coming from your bank, or another trusted source. Even if an email has the right logo or their email address looks right, you might have a phishing email.



Let's talk about it

Talk about these questions as a group or with a partner:

- Can you think of any other clues that an email is phishing?
- Have you ever gotten a phishing email or call? How did you know it was phishing?



Phishing scams

Here's another email. Can you spot any clues that it's a phishing scam? Work with a partner or group and circle the clues you find.

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From: Canada Revenue Agency <tax-refund@can.gov.agency.com>
Subject: Tax Refund
Date: Fri 2020-02-28 03:15PM
To: Tax Payer



[< >>](#)

Dear Tax Payer,

After a review of your 2018 tax forms, we have determined that you are eligible for a tax refund of \$362.58.

To claim your refund, fill out the form on the Canada Revenue Agency website: <http://canada-rev-agency.com>.

Sincerely,
 Canada Revenue Agency

Here's what you should do if you think an email is a phishing scam:

- Don't reply to the email
- Don't share any information with the sender!
- Don't open any attachments or click on any links in the email
- Search online for the organization's phone number. Contact the organization and ask if they sent you an email
- Mark the email as spam
- Delete the email



Online banking safety

Online banking is a great way to keep track of your spending and saving. But it's important to be careful when using the internet.

With a group, brainstorm some ideas for keeping your money and your information safe when using online banking.

[Click here for ASL](#)

Ways to use online banking safely:

1. Only use your bank's website or app for online banking
2. Don't tell anyone your username or password
3. _____
4. _____
5. _____
6. _____



Making a strong password

It's important to create a strong password when you sign up for online and mobile banking. A weak password is easy for someone else to guess. A strong password would be very hard to guess. A strong password has a mix of:

- numbers: 2, 67, 91
- small letters: c, g, k
- capital letters: F, Z, H
- symbols: !, \$, #, ?



Let's talk about it

Talk about these questions as a group or with a partner:

- Did you learn something new about banking that you didn't know?
- Did anything surprise you?
- Do you feel more comfortable about using a bank?
- Is there anything else you'd like to learn that would increase your confidence about banking?

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Money challenge

Visit or look up a bank close to where you work, live, or go to school. Does it offer what you want in a bank? If not, try another bank until you're satisfied.

How to learn more

You can contact the Financial Consumer Agency of Canada (FCAC) when you need help and information about banking.

Toll-free telephone: 1-866-461-3222

Email: info@fcac.gc.ca





Congratulations

You've completed *the Money Matters* Banking Basics workbook.

You learned about:

- different banking options
- your rights related to bank accounts and cashing cheques
- some of the services available from banks
- how to stay safe when banking online

For the last activity, we hope you will make a **pledge**.

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A **pledge** is a serious promise to yourself or to others.

The **pledge** can be personal, or you can share it with others.

My pledge

I pledge to work on learning more about banking by:

Sometimes a pledge needs an action plan: a list of steps you'll take to make your pledge happen.

My action plan

What do I need to do first?

Who will support me?

How will I overcome setbacks and obstacles?



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Bank	A financial institution that takes cash deposits, lends money, and provides other money services
Bank account	A safe place to put your money and help you save it
Cash advance	A loan that you get from a cash store or payday lender. Sometimes called a payday loan
Cash stores	Places where you can get cash advances and short-term loans quickly. But they will cost you a lot in fees and high interest rates. Sometimes called a payday lender
Chequing account	A bank account that lets you write cheques, pay bills, and do other personal money tasks
Customer service representative	A bank worker who can help you open a bank account or cash a cheque
Debit card	A card that lets you pay for things electronically directly from your personal banking account. You can use your debit card to buy something at a store
Debit transactions	When you take money out of your account, such as when writing cheques or withdrawing money at a bank machine
Government of Canada cheque	A cheque from the federal government, such as Employment Insurance or a Child Tax Credit cheque

Interest	A fee someone pays to borrow money. When you get a loan or use credit, you need to pay back the amount you borrowed plus interest. The amount of interest is usually shown as a percentage of the money borrowed. When you put money in a savings account, the bank pays you interest
Mobile banking	Using a tablet or smartphone to do your banking
Online banking	When you do your banking on a computer hooked up to the internet
Percentages	Parts of 100, or “out of” 100. The symbol for percent is %
Phishing	A scam that uses email, phone calls, or text messages. Phishing scams try to steal money and personal information from you
Photo ID	A piece of identification with your photo and signature, such as a driver’s license or passport
Savings account	A bank account that pays you interest on the money you put into it
Scam	An illegal plan to trick people and steal from them
Transaction	A record of money that has moved into or out of your bank account



[Click here
for ASL](#)

Thank you!

You've now completed Workbook 2 of *Money Matters*, a program designed to help you make your money work for you.

You've taken an important step to a better understanding of how to take care of yourself by taking care of your money. This is called financial literacy.

We hope you've learned things that you can put to practice in your life. We also hope you feel more comfortable going to a bank to ask questions, get advice, and choose the best money option for you.

We'd appreciate your feedback on this workbook!

Please take the time to fill out the workshop evaluation form.

This will help us to improve the workshop and make changes you need.

