

Spotlight on CPA Canada's Initiatives in Manitoba for Financial Literacy Month



CPA Canada's Financial Literacy Program has over 40 no-cost sessions designed to cover a variety of topics including sessions for adults, seniors, new Canadians, elementary and high school students, entrepreneurs and more.

As proclaimed by the Parliament of Canada in 2012, November is Financial Literacy Month. This year's theme, invest in your financial well-being, encourages Canadians to take control of their finances and reduce financial stress by making a budget, having a savings and debt reduction plan, and understanding financial rights and responsibilities.

According to the latest numbers from Statistics Canada, household debt relative to income rose slightly in the second quarter. Canadians now owe \$1.69 in credit market debt for every dollar of household disposable income.

This news comes on the heels of a 2017 report from the Organization for Economic Co-operation and Development (OECD) which outed Canada's households as the most indebted in the world, ahead of countries like Japan, Italy and the United States.

Certainly, not all debt is bad and understanding the ever more complicated world of personal finance is the first step toward assessing the extent of the problem.

Just this year, the Province of Manitoba rolled out a personal finance course designed for high school students.

Among the course's 13 stated learning goals is to teach teens a basic understanding of personal finance and money management.

Sharon McRae is one of the teachers at Fort Richmond Colligate, a high school located in south Winnipeg, who will teach half of the school's 100 students enrolled in province's new course this school year.

For several years, CPA Canada's Financial Literacy program has partnered with schools and teachers like McRae across Manitoba to help teach students about finance, credit card debt and more.

"I've found that people don't talk about their finances at home very often, especially with their kids," says McRae. "And that's how I grew up too. It feels like our instinct as parents is to shelter our kids from financial discussions, but we're seeing more and more that that approach may not be working."

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Studies have shown that children as young as kindergarten benefit from very basic financial literacy lessons, even if it's just talking about how saving money in a piggy bank can add up over time.

"The problem has been that if students didn't learn about personal finance and budgeting at home, it wasn't guaranteed to be taught in school because it depended on what courses they were enrolled in," McRae says.

Even before high school ends, young adults are presented with options and choices that assume a basic knowledge of financial literacy. Credit card companies target individuals entering the workforce for the first time. Attending university or moving out on your own also requires knowledge about personal finances and basic living expenses.

"In our class, we cover debt and credit management. We look at the possible advantages and disadvantages of a credit card. The idea is that when a student gets that first direct mail piece with a credit card invitation, or they have a conversation with someone at a bank, they have that basic knowledge. Even things like mortgages, loans, and lines of credit are important to begin to learn about. Sometimes I think as adults we take for granted that we know this information, but it's imperative to realize that teens need to know it too – preferably well before they start making those kinds of decisions for themselves."

Long gone are the days where you'd consider a savings account to be an effective long-term investment. In today's world, young adults need to know a variety of terms which can be confusing to people at any age.

"Students learn about opening a Tax-Free Savings Account (TFSA) and what a Guaranteed Investment Certificate (GIC) is. We cover RSPs, RESPs, mutual funds, the stock market, and real estate with the goal of developing a personal savings and investment plan to reach a desired financial outcome."

In addition to the new provincial course, McRae and other teachers across Manitoba have leveraged CPA Canada's Financial Literacy Program. The program, launched in 2013, strives to deliver unbiased, functional and clear financial literacy information to the public to improve the overall state of financial literacy in Canada.

The program has sessions for many different audiences with learning outcomes that range from the most basic for elementary school students to complex for small-to-medium businesses and entrepreneurs.

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"I'm a big supporter of CPA's Financial Literacy Program. It's always valuable to have the program's Financial Literacy volunteers share their experiences and provide context for the students. The volunteers' experiences from the working world are important."

Financial Literacy volunteers are CPAs who receive online and classroom training as well as the presentation materials required to deliver an effective session.

"Our presenters have always been very personable and willing to explain the importance of financial literacy. It can be helpful to have an expert in the classroom that describes the content in a different way or uses a different approach. Students like to hear from guest speakers and this allows us to provide a variety of messages so that the students absorb as much as possible," says McRae.

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The goal of the Financial Literacy Program's high school session, much like the province's new course, is to arm students with a basic knowledge and lay the groundwork for further learning.

"We want students to leave our class with an understanding of financial literacy principles so that when they start to make money and examine financial obligations they can recognize potential pitfalls and navigate that world with some comprehension and confidence," explains McRae.

If you would like to get involved with the Financial Literacy Program, either as a volunteer or to host a session for your organization, visit CPAmb.ca/financial-literacy.