



Part 1

GOALS, VALUES AND DECISION-MAKING



YOUR MONEY DECISIONS: WHO'S IN CONTROL?

Let's Discuss...

\$ Factors Affecting Money Decisions

\$ Tips for Making Good Money Decisions

\$ Taking Control: Setting Goals and Finding a Balance in Your Life

Most people make decisions about how to use money every day. It may be to take a bus, or to buy something for lunch, or to put money in a parking meter, or buy a new "app", or go to a movie, or... Like it or not, we need money to get and do a lot of things. Try and think of the last day when you didn't spend money – or make a decision about how to use money – either yours or someone else's.

You probably make many such decisions involving money – and you have choices. But what things influence the decisions that you make?

Think About It



Do you feel different when you pay for something with your own money than when others buy things for you?

Factors Affecting Money Decisions

Think about the last item of clothing that you bought. What factors affected your decision?

- 1. Emotions:** Was it how you felt looking at the item – that is, your emotional response?
- 2. Friends and Peers:** Was it your friends – and what you thought they would think about your choice – that is, some kind of "peer pressure" affecting your decision?
- 3. Customs, Traditions, and Habits:** Was it because it was the style of clothes that you have always tended to wear in the past – that is, your custom, tradition, habit, or just falling in line with past choices?
- 4. Family Members:** Did your parents, siblings, or other family members have any influence on your choice – that is, what they would think and how they would react?
- 5. Latest Styles and Fads:** Was it because of any latest style or fad – that is, trying to stay current and with current trends?
- 6. Advertising:** Was it because of any commercial, ad, promotion, or celebrity endorsement that you saw that had an impact on you – that is, some form of advertising?
- 7. Incentives:** Was it because of a "sale" that was on or a discount coupon that you had – that is, some kind of incentive provided by the store to make you buy that product?
- 8. Your Values and Confidence:** Was it because of what you thought – and what you wanted – and your own sense of values, style, and knowing what you want?

How About You?



Which of the above factors do you think have the most influence on your money decisions?

\$ Tip



When you make decisions about money, take a moment to think about factors that could be affecting your decision. Are you in control of your decisions – or are other affecting what you do? Try and be in control of your own decision.

Impact Can Be Intentional or Unintentional

All of these factors influence the decisions and choices you make about spending. Some may even influence you without really trying. Can you think of a decision you made recently that you think may have been influenced by a movie you saw – or a sporting event or sports celebrity – or someone you met? In the end, you will make the decision – but it is always good to consider the factors that might be having an impact on you.

Can You Afford It?

Another factor that is important – and often gets too little consideration – is whether or not you can afford it. With so many factors influencing us, and affecting our decisions about money and spending, we may buy something we don't really need or want, and may not use – or won't use for long.

Looking Back on Past Decisions

Once a decision is made, you can look back and think about whether or not it was a good one for you. If it was, why? If it wasn't, why not? Sometimes we make good decisions – and sometimes not so good. The important thing is to learn from the decisions that weren't so good. In the end, though, each of us strives to make the best decisions we can about money – and that is one of our goals with “Money and Youth.”

Think About It



Can you think of something you bought that you never used – or didn't use much at all? If so, think about why you bought it. What can you learn from that decision?

Making Good Decisions is a Skill

In a later chapter, we will actually look at a series of steps that can help you to make good decisions. Making decisions is a skill – yet many people have never been taught how to make them.

Tips for Making Good Money Decisions

Here are a few tips to consider when making good money decisions.

- 1. “Think about your thinking”:** Take a moment to “think about your thinking.” That might sound a little weird but to make a good decision it helps to take a minute or so to think about the choice you are making – and why you are making it. Many people make decisions without really thinking about why they are making that particular decision. Is it because it’s the kind of decision you have always made – because you are trying to make someone happy – because you think it will make you happy – because of what someone taught you – because it’s part of who you are and reflects your values ...?
- 2. Your “Opportunity Cost”:** Consider your opportunity cost – that is, what are you giving up in making the decision? Every decision has an opportunity cost – giving up one thing to get another. You could be giving up something else you could buy with the money you are spending, or something else you could do with the time you are investing, or another city you could be visiting, or another course at school you could be taking. Among all the possible alternatives, what’s the “next best thing” you will be giving up? That is your opportunity cost.
- 3. Future Trade-offs:** Consider the future possibilities. That is, in addition to what you might be giving up today, what might you be giving up in the future because of your decision? What could be different if you waited?
- 4. Can you afford the cost?** Finally, can you afford it? Do you have the money to pay for it? If not, and you are going to use a credit card, will you have the money to pay off the credit card balance when you get your bill? Or will you be “carrying the cost” into the future – and paying interest? If you are going to pay interest you should consider that as part of your costs – and as part of your decision.

We have now looked at eight factors that may influence your decisions– and four tips to consider when trying to make good money decisions. But let’s not forget about another key factor in all this – and that is, what makes you happy.

How About You?



To what extent do you take time to “think about your thinking” – and do you think about why you are making that decision?



*Take Action.
Take Control!*



Try to complete the following activity in less than two minutes. Trying to do this quickly helps you to focus on things you feel most strongly about.

Identify the five most important things in your life at the present time and the five things you most hope for in the future.

Taking Control: Setting Goals and Finding a Balance

Your Happiness is Another Important Factor

Each of us has to figure out what will make us happy – today, tomorrow, next week, next year, and in the years to come. If you are one who thinks more about today and tomorrow rather than the future, you are probably one who likes “instant gratification” – that is, when you want something you want it now.

If You Like “Instant Gratification”, Taking Control Can Be a Challenge

If you tend to like, and want, “instant gratification” then managing your money will probably be more of a challenge. It will be harder for you to think about your trade-offs down the road – or the challenge of having to pay for something later if you can’t afford to pay today. It may be that some of those influences we just talked about are working on you – and making you want certain things – and wanting them now! If you tend to be one who “acts now and plans later,” managing your money – and your money decisions – will be more difficult.

If You Keep the Bigger Picture in Mind, Taking Control Can Be Easier

If you are more of a “big picture” person – and take a longer term view of things – you may find it easier to manage your money – and to achieve your goals.

When you set goals, you need to think about the present and the future. You have to think about what makes you happy today – and what will make you happy in the years ahead. People often talk about hoping to have a “happy life” – which, in and of itself, is an ambitious goal. Finding the balance between your happiness today and your happiness in the future is key – and not always easy, especially when it comes to how you handle and manage your money.

How About You?



What, for you, are the key things that you think will help make a “happy life” for you?

How About You?



Do you tend to want instant gratification – or are you someone who likes to plan, and can wait to get what you want in the future – and achieve the goals that you set for yourself?

1

2

3

4

5

INSTANT GRATIFIER

PLANNER

Money Can't Buy Happiness – True, But ...

The saying “money can’t buy happiness” is probably quite true. But it is also true that a lack of money can create problems. Being in debt over one’s head, being unable to pay bills, being unable to take holidays, being unable to afford the accommodation one wants can be both frustrating and unpleasant. “Money can’t buy happiness” but, let’s face it, it helps.

Think About It



What are your views on the link between money and personal happiness? When are you happiest? What role, if any, does money play in those times?

You Make Your Decisions – But to What End?

There is no shortage of advice you are likely to receive about how to effectively manage your money – and what you should be doing with your money. But, in the end, you will decide.

A key factor that can affect your decisions are your goals. If you don't have goals then goals won't play a role in your money decisions. But if you have goals, hopes, and things you want to achieve in the future, they will have an impact on the decisions that you make. Therefore, setting goals for yourself can be a powerful incentive which can have an effect on the decisions you make.

How About You?



Do you think much about what you hope for in the future when you make your money decisions?

Having Goals Can Make a Difference

Why can goals make a difference? If you have goals, you'll have to consider the possible trade-offs as you make decisions today. And saving to achieve a goal can be very rewarding, personally satisfying, a real motivator, and a confidence builder. Achieving a goal can help you prove to yourself that you can accomplish what you set your mind to – and inspire you to aim for other goals – and to achieve other things.

So, “money doesn't buy happiness”, but it does play an important role in most people's lives. We may wish it weren't so, but it's true. Earning money. Spending money. Saving money. Investing money. Making money. Losing money. Giving money away. We make all kinds of decisions, often daily, about money.

Money Is a Means to an End

But what is money anyway? We don't eat money, wear money, or build buildings out of coins and twenty-dollar bills. Money is a tool. It is a means to an end. It is something created to help our economy work more smoothly. It serves as a medium of exchange, that is, we can use it for purchases. And money can help each of us in achieving our goals – whatever they may be.

If we turned on the printing presses and gave everyone twice as much money, would people be better off? The answer is “no”. Why? Because with everyone having twice as much money, prices would eventually double as people have more money to spend on things. People would have twice as much money but would be paying twice the price for things – so people wouldn't be any better off. So it is important to remember that money is a tool – and prices will affect the purchasing power of your money and how much you can buy with it.

If You Want to be In Control, Have a Plan

Money can help us out – but it can also cause problems – getting deep into debt – causing stress, tension, and anxiety – pushing some people to crime – having bill collectors on your back. To avoid money problems, it's best to try and stay in control of your money and how it affects your life. You'll want to maximize the help that money can provide and minimize the problems it can cause. Today is the best time to start to take control of your money. And the best way to take control is to be prepared and plan.

How About You?



To what degree do you think you are in control of your money?

1

2

3

4

5

OUT OF CONTROL ————— IN TOTAL CONTROL

Take Action.
Take Control!



Identify the top three goals that you hope to achieve within the next year.
Identify the top three goals that you hope to achieve within the next three years. Identify the top three goals that you hope to achieve within the next 5-10 years.

Financial Planning is Not Only for Those with Lots of Money

Planning how to handle money is not only for those who have lots of money. In fact, the less money you have, the more important it is to plan. You want to get the most from the money that you have.

The best way to plan is to set goals – to know clearly what you want – to know the difference between what you need and what you want – to know the things you care most about – what you want out of life – what you want to achieve and what will make you happy – today and in the future. In setting goals, consider the different “time periods” – the short-term (what you hope to achieve over the next year), the medium-term (1–3 years), the long-term (3–5 years), and the more distant future (5 years and beyond). Short-term goals can be very helpful as they serve as stepping stones to achieving your medium-term goals. Then, use medium-term goals as stepping stones to long-term goals, and so on. Doing this gives you some “check points” to see how you are doing over time – and think about whether your goals have changed and if you want to change direction.

Plan for a Balance between Your Short-term and Long-term Goals

As important as it is to keep an eye on the future and your longer terms goals, you want to be happy today too. That is understandable, and should be part of your planning. Finding a balance between today and the future is important. Develop a plan that helps you live as happy a life as you can – today, next month, and into the future.

People Are Different – Their Goals Are Different

Different people will have different goals. What one person wants out of life can be very different from what another person wants. Individuals face life and its financial challenges from a wide array of starting points and with different views. Some people have access to a great deal, including opportunities for education, training, working, and acquiring income. Others have access to very little and face different challenges and opportunities. Different cultures also have different attitudes to money and material things. No matter what the differences, however, everyone will face decisions related to their money. To guide these decisions, we need goals. What are yours? Knowing your goals is a key first step in starting to take control of your money.

Module Summary

Say What? Possible New Terms!

1. **Opportunity Cost:** the next best alternative given up when you make a decision.
2. **Carrying Cost of Debt:** the interest charges that you pay on debts that you carry on a credit card over time. That is, credit card debts that you don't pay off right away and result in interest charges.
3. **Medium of Exchange:** one of the roles of money. Prices can be set in terms of money for goods and services and then money can be used to “exchange” to receive a good or service.
4. **Financial Planning:** setting goals for things you hope to achieve and acquire over time and making a plan for how to achieve those goals.

Did It Stick? Can You Recall?

1. What factors may be having an influence on your money decisions?
2. What are four things you can do to try and make a good decision?
3. What is the purpose of having a financial plan?
4. How can setting goals help you to make better financial decisions and find a balance in life?
5. What is a key role of money in the economy?

Thinkabout... or Discuss:

- Which kind of financial decision do you find hardest to make – and why?
- In your opinion, which factors have the biggest influence on money decisions made by youth?
- What are the advantages and disadvantages of credit cards for youth?
- What are the biggest “money mistakes” youth often make?

Tips & Suggestions

Five Steps to Saving Money

1. Set a savings goal. Ask yourself:
How much money will I need?
How soon? Be realistic.
2. Decide how much you will save from your pay. Put aside money to save first, then spend what's left.
3. Track where you spend your money. Learn more about where your money is going. This will help you find ways to cut your spending if you need to – since you will probably be surprised where some of it is going.
4. Build a budget and try to stick to it.
5. Reward yourself when you reach a goal. Give yourself something to look forward to if you do what you set out to do.

Tech Talk

If you have access to the Internet via a computer or hand-held device, you might consider searching:

- Common frauds and scams
- Metacognition – thinking about your thinking
- Tips for good decision making
- Setting goals and basic financial planning
- Advertising techniques



YOUR GOALS AND YOUR VALUES

Let's Discuss...

\$ Exploring Your Values

\$ Peer Pressure

\$ Keeping Up with the Joneses

\$ Advertising – and Advertising and You

\$ How to Avoid Frauds and Scams

When you think about the things that are most important in your life – and the goals you have for what you want to achieve – do they reflect your “values”? Can you tell? Have you thought much about your values?

What are values anyway? Values are those things that make up your character. They represent what you think is important in life. They show up in your decisions, actions, and judgments.

How we look on the outside usually tells very little. It’s more what’s on the inside that will make most of the difference in who we are. And values are a big part of what’s inside.

Think About It



If you were asked to identify three of your “values,” how would you answer?

How About You?



Do you think you are influenced by advertising? Did you make a decision recently that was influenced by advertising?

1 2 3 4 5

EASILY INFLUENCED — LITTLE INFLUENCE

Exploring Your Values

There are many things that can influence your values. Family members, teachers, and friends are particularly strong influences. Religion, culture and heritage can also have a big impact. Television, movies, videos, and music certainly play a role, too. Advertising can also do a great deal to influence, or try to influence, what you think is important and what you value.

Your values govern many of your financial decisions. What material things are important to you? How much money will you need? What will you do to get it? What trade-offs will you make? What will you do with your money when you get it? And so on. There is no denying that decisions related to money are important – they affect each of our lives and those around us. And your values affect those decisions.

Let’s try to explore the things in life that you value – and the things that have influenced your values.

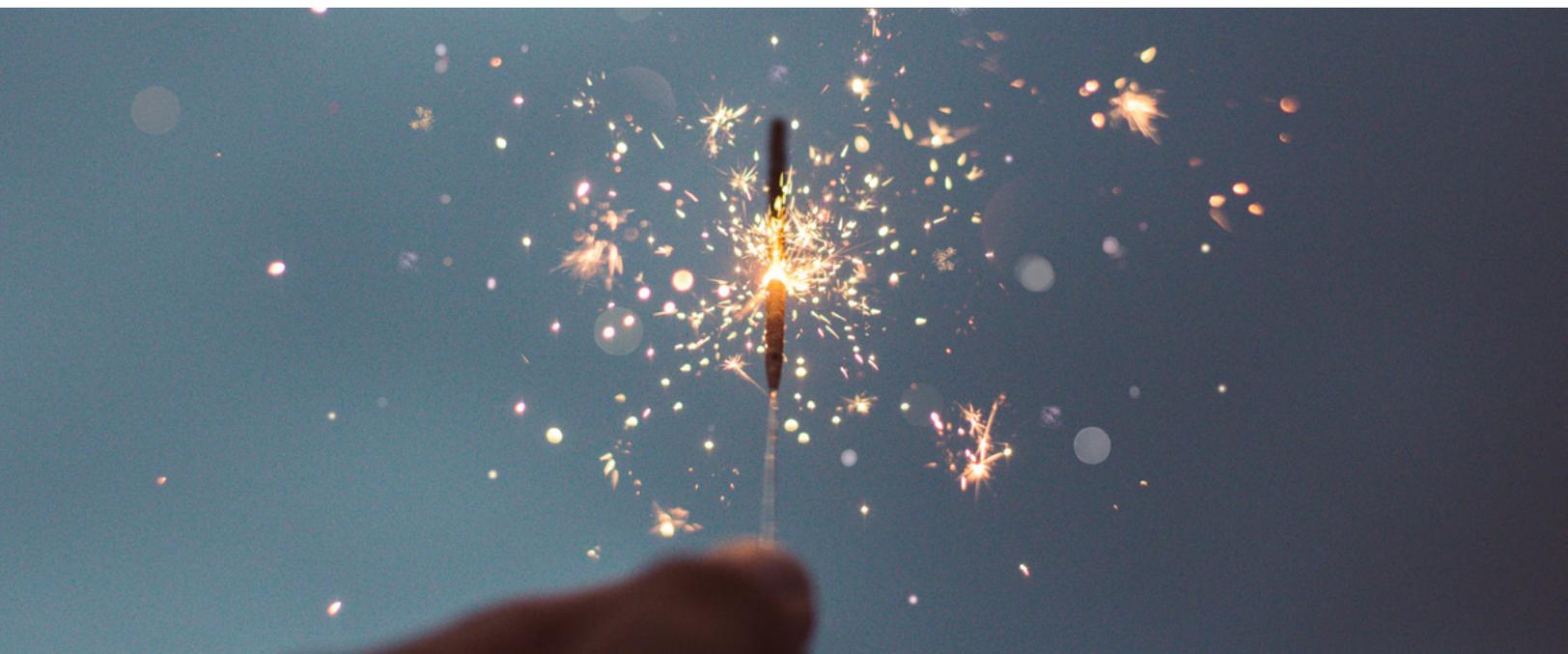
Take Action.
Take Control!



It is time for brutal honesty. Below are a number of things you may think are important in life. They may be things in life you want for yourself, what you try to be or hope for, or things you respect in others. There are probably other things that are important to you that aren't included. Please add them to the list. Then select the "top ten," the things you value most, and rank them one to ten.

What's Important to You?

Happiness	Recreation and Travel	Maturity	Good health
Work	Status	Education	Freedom
Family	Tolerance	Love	Compassion
Sympathy	Loyalty	Fitness	Honesty
Reliability	Fun	Wealth	Acceptance
Patriotism	Responsibility	Respect	Sense of humour
Security	Beauty	Honour	Safety
Faith	Commitment	Religion	Being in style
Acquiring abilities/skills	Independence	Excitement	Influence
Friendship	Risk	Helping others	Community involvement
Others:	_____	_____	_____



There are many people, groups, and things that can influence your values. Some may intentionally try to influence your values.

Others may do so without even trying. It is important to be cautious about those who are out to influence what you do and the decisions you make. Take a look at the following visual.



To most people, the figures will appear to be of different sizes. Put a ruler alongside each one. They are, in fact, the same size. But the way they have been drawn makes them appear to be different than they really are.

Visual illusions such as this can be fun. They also make a point. We can be fooled. We can be influenced. We can be made to see things differently than they really are. Take a look at the following visual.

Did you see both? Both are there. The point is that different people can see things differently. It's not necessarily such that one is wrong and the other is right. Both may be right. So whenever you think something is true, and someone offers a different point of view, consider whether or not there might be other ways of looking at things. Is there another point of view? A better point of view? A view that will strengthen what you believe?



1. Handbook for Economics Teachers, edited by David J. Whitehead. London: Heineman Educational Books, 1979

2. Handbook for Economics Teachers, edited by David J. Whitehead. London: Heineman Educational Books, 1979

How About You?



In the earlier activity, you identified the things you feel you value most in life. But where did those values come from? What influenced your values in the past? What influences your values today?

Possible influences are listed below. From those shown, or others you can think of, identify the top seven factors that you believe have contributed the most to determining what you value most.

\$ Tip



There are many people who make decisions without thinking about their “values.” When you make decisions related to money, take a moment to think about your values and if they should play a role in your decision.

Possible Influences

Your parents/guardians	Your religion	Books	Camp experiences
Other relatives	Television	Magazines	Volunteer experiences
Your childhood experiences	Entertainers	Travel experiences	Work experiences
Your childhood friends	Sport personalities	Specific events	Sickness or injury
Your current friends	Radio	Community activity	Employer
Your teachers	Music	Teammates	Coach
Others:	_____	_____	_____

The fact is, there are many things in life where others could see things differently than you do. Others may try to bring you around to their way of thinking. And, as you know, what is right for them, may not necessarily be right for you.

Consider some instances where people’s views have been different. Did you agree with a particular point of view? What is “right” and “wrong” can often be unclear.

Think About It



Think about the last time that somebody tried to influence a decision that you made. How long ago was it? Why were they trying to influence your decision? Were they able to influence you in any way?

Peer Pressure

Peer pressure refers to how others around your own age can influence your thinking – on purpose or not. Peer pressure is one of the strongest influences on young people. Friends, classmates, teammates, and workmates are usually very important to you. You may value them and what they think and do.

At the same time, they are in the same situation as you are – trying to figure out their lives, trying things, thinking about things, and figuring out what they value and what's most important to them.

Many of the decisions that you make in your youth will be influenced by your peers. Situations can arise that involve making decisions related to alcohol, smoking, drugs, clothing fads and styles, courses you take, concerts, schools, careers, jobs, and so on. Many of these are difficult decisions, and peers can apply a great deal of pressure – either directly on you or by the decisions they have made and what they are doing. You will face times and decisions when your values are really put to the test.

How About You?



Do you tend to be influenced by your peers – or do you tend to influence others?

As far as money matters go, your peers may seek to influence you – such as how much you spend, what you buy, how much you borrow, what styles you follow, where you shop, and so on. It can be challenging, but it is important to make the decisions you believe are best for you, the ones that fit your values, priorities, and goals – and that make you happy and feel good about your decision.

\$ Tip

A funny thing about peer pressure – it can pass quickly. You may be in a situation where you are feeling pressure to buy and wear certain shoes – shoes you don't need. If you decide no, the pressure often soon passes and others forget about it. If you decide yes, others may still soon forget about it – but you are out of pocket the money – and may be wearing shoes you don't need – and maybe don't even like. Make sure you use your money the way you think best.

*Take Action.
Take Control!*



In a group situation, discuss the following:

- **Where does peer pressure push the hardest? For example, is pressure hardest when deciding whether or not to smoke, to dress a certain way, to listen to certain music, to drink, to take drugs, to associate with certain people, to want certain possessions, and so on? When do you feel the pressure the most?**
- **What are the best ways to deal with peer pressure when you disagree with the direction toward which it is pushing you?**

Think About It



How have you handled peer pressure in the past? Have you ever made a money decision that was influenced by your peers?

Take Action.
Take Control!



Are you one who tends to make decisions on the basis of what others are doing to try and be “in” or look “cool”? Or are you more of a “do your own thing” person who makes your own decisions based on how you feel and what you think is important?

Keeping Up With The Joneses

You probably don't even know anyone by the name of Jones. For you, it may be the Howards, the Garneaus, the Villachis, or others. The “Joneses” is simply a reference to those around us with whom we may struggle to keep up. We may want what they have, or try to live how they live. For youth, the “Joneses” can be friends who wear certain clothes or shoes, go to certain concerts, drive certain cars, have a new possession (such as the latest “iProduct” or computer game), take vacations to nice places, eat at nice restaurants, and so on. No one may be pressuring you to have them – but you may be pressuring yourself to keep up.

How About You?



Are you an envious person? Does envy play much of a role in terms of your goals, decisions, and actions? On a scale of 1 to 5, rate the influence of “envy” on your economic decisions.



ENVY PLAYS A ROLE — ENVY PLAYS NO ROLE

Think About It



Do you feel envy plays much of a role in your life at this time? Do you feel envious of anyone? Is there something that you currently want that is based on envy? Have you made a recent decision or purchase that was based on envy?

Basically, it comes down to how much you are willing to let envy affect your values, decisions, actions, and goals. If you want to be in control, you should avoid envy when you can.

\$ Tip



Watch out for envy – it can lead to some pretty crazy decisions – and ones you may regret. It's funny how often others that you envy, may envy you for things you have in your life. Keep in mind the things you value in life – it may make you less envious – and put the brakes on some decisions that you might come to regret.



Advertising

Advertising is the way producers provide information to consumers about a product or service. They also use advertising to encourage consumers to purchase their products or services. Their goal is to convince you, as a consumer, to purchase their product over that of a competitor.

That doesn't mean advertisers can tell you anything they want. Advertisers are governed by rules and regulations (such as those provided under the Competition Act, the Food and Drugs Act, the Canadian Radio-television and Telecommunications Commission, and other federal and provincial laws) that set standards and guidelines for advertisers. For example, it is illegal for advertisers to provide

untrue or deceptive information. They cannot make false claims about their product. They cannot make untrue statements about their competitor's product.

Therefore, within certain guidelines, the advertiser's aim is to influence you and to get you to buy a particular product or service. This is not as deceptive an act as it may sound. As you know, there are many good products and services available. If you don't know about them, you can't make effective decisions about which ones, if any, you want to purchase and use. Furthermore, producers have the right to make accurate claims about how good their product is. If the product is good, they should certainly be able to let you know about it.

Think About It



**On most occasions, have the products and services you bought been as advertised?
Have you bought a product that doesn't live up to the advertising?**

Advertising is good in a number of ways:

1. Was it how you felt looking at the item – that is, your emotion is a source of information about new products, existing products, and improvements or changes to products.
2. It encourages competition, which can lead to product improvements, lower prices, specials, improvements in supply and availability, and more.
3. As you are probably well aware, advertising pays for many media presentations. Advertising sponsors TV and radio shows, magazines and newspapers, concerts, and so forth. Increasingly, through “product placement” it also helps sponsor movie production.
4. Advertisers sponsor these activities according to how many of their potential customers they believe will watch the show, listen to the show, read the magazine or paper, or come to the concert. Through sponsorship, some of these activities, such as TV and radio programs, are provided free to us (even though we do end up paying for the advertising in the prices we pay for what we buy – and we may also pay cable or satellite fees for the programming). Some (such as a newspaper) are provided to us at much lower cost than would otherwise be the case, and some (such as a concert) might not have come to town without the sponsor.
5. Advertising helps consumers to compare the different products and services that are available and hopefully to help them make better consumer decisions.

How About You?



To what extent do you think your consumer decisions are affected by advertising?



How can advertising influence your buying decisions? Advertising may lead to impulse buying (buying on the spot without much thought) or fad buying. It may lead you to buy something you really don't want, or don't need, or shouldn't buy at this time. In other words, it may help lead to a consumer decision that you might come to regret.

But whose fault is that – the advertiser's or yours? There is a saying – caveat emptor – which means “let the buyer beware.” In the end, you are responsible for your own decisions. If you make a bad buy (one that is not in your best interest), then, unless an ad has been false, misleading, or illegal, you have only yourself to blame.

Therefore, when making your buying decisions it is important for you to be aware of some of the ways in which advertisers may try to influence you to buy their product. The advertiser's job is to put the product forward in the best light possible and hope you will buy their product or service. Your job, as a wise consumer, is to make the decisions that you think will be best for you.

\$ Tip



Try to get to know yourself as a consumer. Do past decisions show you are influenced by advertising? If so, know that and try to control the extent to which advertising takes control of your decisions.

There is one further point to mention in this section. As a consumer, you do have certain “rights.” The Consumers’ Association of Canada states that its goal is to help uphold the following consumer rights:

- the right to choice
- the right to consumer education
- the right to be informed
- the right to participate in marketplace decision making
- the right to safety
- the right to have access to basic services
- the right to be heard
- the right to a sustainable environment¹
- the right to redress

1. From the web site of the Consumers’ Association of Canada. www.consumer.ca

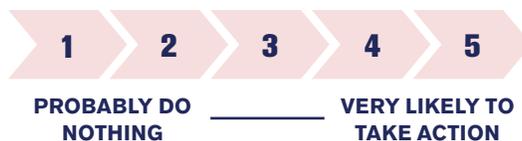
You may believe that, on some occasion, your rights have been abused. Or you may have a complaint about a good or service you purchased. If so, identify who you can speak with and voice your complaints.

For those times (which we hope will be few) when you have legitimate complaints, you need to learn the “art of effective complaining.” Most producers will welcome the chance to turn an unhappy customer into a happy one. After all, if you leave unhappy, you’ll probably never return. They lose your future business. And you will probably tell others about your bad experience. Give them a chance to fix any mistakes or problems. You may find you end up quite happy. Sometimes you may even come out ahead. If you find you are not satisfied, and you feel you have a legitimate complaint that was not dealt with properly, you can contact the Better Business Bureau and put in a complaint. But do give the producer or retailer a chance to fix the problem first.

How About You?



Have you ever bought a product and had a problem or reason to complain? If so, did you – or did you just let it go? How would you assess yourself in terms of your willingness to act if you have a problem with a product?



Advertising And You

Review each of the advertising techniques described below. See if you can think of one or more product or service ads that you have seen recently that use the following techniques.

Rank these techniques from 1 to 10 in terms of which you think is the most effective at influencing your opinion of a product or service. Let “1” represent the most effective and “10” the least.

Repetition: You have heard it said that “If you tell people the same thing often enough, they will come to believe it.” Some advertisers will use this method, repeating their message over and over again in an ad or a series of ads over time. [*Built Tough!*, “*Eat Fresh*,” “*I’m Lovin It*”]

Conformity: This approach aims to have you “get on board,” “be in,” “get with it,” [*Join the “cool crowd.”*]

Imitation: This is the effort by an advertiser to influence a consumer by having a celebrity associated with the good or service. The advertiser hopes that those who like and respect the celebrity will imitate the behaviour by using the product. [*Sports star’s running shoes. Celebrity’s make-up line.*]

Emotional Appeal: This is where the advertiser seeks to draw upon one or more of the consumer’s emotions to influence the decision. [*Being away from home – kittens and bathroom tissue – beer and being Canadian*]

Good Will: Providing something for free – a free sample, a free issue, and so on. However, always remember that “there is no such thing as a free lunch” – someone always pays the cost. It’s a question of who pays and why. [*“Four free CDs! Just sign up to buy one CD a month and you’ll get four free CDs!”*]

Scare Techniques: Well, maybe not exactly scare techniques, but who wants to face the consequences of going around with bad breath, blotchy skin, or underarm odor, especially when the ads portray such awful consequences.

[“*Nick and Lotta were about to kiss when, all of a sudden, Lotta noticed Nick’s teeth. If only Nick had used...*”]

Snob Appeal: These ads are designed to appeal to those who want to be seen as in the lead, on the move, those who have made it – and want others to know about it. These ads emphasize that if you have the product you are definitely “in” or among the “elite” or “successful.” [*“If you need to know the price, you’re not interested.”*]

Economic Appeal: This type of ad presents the “great deal” – no money down, no interest payments, and so on. Be on your toes and watch for those that are genuine deals and those that have catches to them or key points in the fine print. There can be very legitimate offers to help you pay for a purchase over time – such as equal payments over 24 months with no interest. But, in the fine print, it can say that if the amount isn’t paid in full within 24 months, all interest charges become payable for the full two years. So check that out and, if that’s the case, make sure you complete the payments within the 24 months. [*“No payments for three years! That’s right, it can be yours and you don’t pay a cent for three years!”*]

Comfort And Enjoyment Some advertisers may attempt to present their product in relation to something that, although enjoyable, is largely unrelated to the product. For example, have you ever sat through a commercial wondering what on earth was being advertised – only to be surprised at the end? The purpose of the ad may simply have been to get your attention – not tell you anything about the product.

Humour One method to attempt to influence your purchase is to present the product or service in a humorous way and hope that your laughter will carry over all the way to your buying decisions.

Can you think of any other techniques that are used by advertisers to affect consumer decisions?



*Take Action.
Take Control!*



Always protect your PINs and security codes. Change your passwords regularly.

How About You?



Have you ever experienced an attempted fraud or scam? If so, what did you do? Do you know some key indicators of attempted frauds and scams?

Avoiding Frauds and Scams

As you know, there are lots of things that you can do with your money. One thing you don't want to do, though, is to let others take or steal your money. It would be great if we lived in a world where you didn't have to worry about that – but that is not the case.

There are people and organizations that may try to access your online bank account, fraudulently use your credit card, learn your PIN and use your debit card – or use a duplicate of your card, fool you with an online purchase or payment, and so on. You have to be vigilant in protecting your personal information and your money – especially in this day of online purchases and banking.

Take Action.
Take Control!



If you have a credit card, always check your statements carefully to make sure there are no false charges.

The following is just a sample of fraud and scams that people may try to use against you. Included are suggestions for how to protect yourself from those who might be looking to take advantage of you.

- **Requests for Personal Information:** Any email asking you to disclose or share personal information is likely to be a scam and before taking any action you should check with the supposed source making the request. Financial institutions and government officials will never ask you to provide personal information over the Internet.
- **“CRA” Calls:** Anyone calling on the phone indicating that they are from the Canada Revenue Agency and stating that you owe taxes and that you can pay them right away over the phone with a credit card is a scam. The CRA will never do that. Such calls can sound very threatening, and state that you may face a heavy fine or jail time if you don’t pay. Don’t fall for it!
- **Sending False Invoices:** It is amazing how often people and businesses will simply pay an invoice that is sent to them in the mail – even though it may be totally false. If you are not aware of a purchase that was made, do not simply pay a received invoice. Check into it. Make sure it is legitimate.
- **Stealing Your Identity:** If someone has access to your personal information – your Social Insurance Number, Passport Number, bank records, etc. – they may use that information to try to access your money or your assets. Protect your personal information and keep a close eye on your bank

accounts and other financial assets to watch for any surprises. If you see a withdrawal or some other action that you did not take, report it to your financial institution immediately.

- **Health Promotions:** People are often vulnerable when they are concerned about their health or appearance. Unsolicited offers may arrive for ways to cure baldness, cure acne, lose or gain weight, feel better and stronger, and so on. Be very cautious about such promotions especially if they promise results that sound too good to be true. Check them out thoroughly before spending any money on such offers.
- **Subscription Traps:** Be cautious of those who offer you a really good deal for a magazine subscription, an online subscription, etc. Some will offer really good deals at the outset and ask for your credit card information. Then, over time, they will raise the rates and continue to charge you monthly fees at a rate you never wanted to pay – but may have agreed to in the fine print. So be cautious about subscriptions – and do read the fine print!
- **Family Member in Distress:** Sometimes individuals will receive calls from someone who says that a family member has been badly injured and that the individual needs you to send money. The caller may have even done some digging and found a name and some personal information about the person they say is injured. They may say that they can help your family member but need money as soon as possible to do so. They may also say that they are the police and need money. Don’t ignore a

Take Action.
Take Control!



Always review your monthly bank statements to make sure all deposits and withdrawals are correct.

call that may be legitimate about such an event – but be very cautious if the caller asks for money to help especially if they want you to send it right away. Try and verify the situation if you can.

- **Door to Door Sales and Canvassing:** It is rare these days for any legitimate cause or organization to have people canvassing door to door asking for money. Door to door visitors may look to get your support in an election – and that is fine. But if people come to your door asking for money, be very, very cautious about donating or buying anything from someone going door to door. And also be cautious that they are not “checking out” your home. Some may ask for a glass of water or something similar and look for what they can steal while you have left them alone at the door – purse, car keys, etc.
- **Internet Solicitations and Requests for Payment:** It is very common for scammers to try and convince you to support a cause or pay a bill via an email. Again, be very cautious. Watch for typos in the email request. Look at the email source that sent the email to you. It may say it is from a store requesting payment but the originating email address has no indication of the store’s name. As a rule of thumb, it is probably best never to respond to email requests for money. Follow up with a phone call or visit to verify.

\$ Tip



If something sounds too good to be true, it usually is.



The following are a couple of links with more information on frauds and scams and how to protect your money, assets, and valuables.

- “Little Black Book of Scams”:
<http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/04333.html>
- Links to a number of government sources of information:
<https://www.canada.ca/en/services/finance/fraud.html>
- RCMP Site Focusing on Frauds and Scams:
<http://www.rcmp-grc.gc.ca/scams-fraudes/index-eng.htm>

Module Summary

Say What? Possible New Terms!

1. **Values:** the beliefs, morals, attitudes and decisions that make up your character, affect what you do in life, how you handle situations, and your goals.
2. **Peer pressure:** the influence that others, around the same age, can have on your actions and decisions. This is a pressure that others try to put on you.
3. **Envy:** the desire to have what others have, look like others look, live like others live, etc. This is a pressure you usually put on yourself.
4. **Consumer rights:** these are what a consumer should reasonably expect in the course of fair dealings and expectations with a producer or retailer.
5. **Caveat emptor:** “buyer beware,” which means that, in the end, a consumer is largely responsible for each decision that is made.

Did It Stick? Can You Recall?

1. What factors may be having an influence on your money decisions?
2. Why values are important in terms of “money decisions”?
3. What are some of the key things that can affect your values? How can peer pressure influence decisions about money?
4. What kinds of pressures can people put on themselves that can affect their money decisions?

5. What kinds of techniques can advertisers use to try and affect your decisions?
6. What are some of the benefits from advertising?
7. What are some of the “rights” that consumers should reasonably expect in the marketplace?

Thinkabout... or Discuss:

- What are the biggest factors affecting values as a person grows up?
- Do values change over the course of your life? If so, why and when?
- What values would likely help lead to good financial decisions?
- What “peer pressures” are positive? Which are not so positive? What can be done to deal with and resist peer pressure if you don't like the direction it is pushing you toward?
- What are some of the “best” ads you have seen (TV, print, radio, Internet) and why? Which are some of the worst – and why?

Tips & Suggestions

- As you can, think about your values – know your values – and call upon them to help with your money decisions. People often make money decisions without considering what is really important to them.
- Peer pressure can be very powerful. In the end, try and control your own life as much as possible. That way you can apply your own values to your decisions rather than someone else's.
- To get a sense of where you are at, and coming from, regarding money in your life, make one list of the things you value and want out of life that don't relate to money. Make another list of those that do relate to, or involve, money. It helps to keep in mind the things we have, or hope to have, that don't involve money.
- Consider the “opportunity cost” of any decision you make. That is, what is the next best alternative that you are giving up – today or in the future.

Tech Talk

If you have access to the Internet, you may consider searching:

- Dealing with peer pressure
- Advertising techniques
- Best ads ever
- Worst ads ever
- Values and setting goals
- Consumer rights
- Common frauds and scams

YOUR GOALS: SOME THINGS TO CONSIDER

Let's Discuss...

\$ "Luck of the Draw"

\$ The Life Cycle

\$ Tastes, Preferences, and Lifestyle

\$ The Economy

\$ Social Factors

\$ Political Factors

\$ Technological Change

\$ Language and Communication Skills

\$ Prejudice

\$ Ways we can help others

In addition to your values and what you believe is important in life, there are other factors that can influence your financial decisions and actions. Let's take a look at some of these factors.

"Luck Of The Draw"

Each of us is born into our own individual set of circumstances. We are born at a certain period of time, in a certain location to particular parents (who may or may not stay together as a family unit), into a certain lifestyle, and so on. We enter into different economic circumstances, geographic locations, cultures, family conditions, and values.

You may believe that all are created equal, but few will claim we are all born into circumstances of equal opportunity. The way we start life can vary greatly. And, for many people, life probably doesn't seem fair in terms of "money." Some may have easier access to money. Some may have to work much harder. Some are born into families that have lots of money. Some are born into families with relatively little money. But remember that old adage – "Money doesn't buy happiness." There are some who may well argue that it may be harder to be happy if one is "born into money." There are different goals we can set in life – and different ways to define opportunities and happiness. Keep that in mind.

How About You?



YOUR "LUCK OF THE DRAW"

When you entered this world on the "highway" to life, you may believe you started with certain advantages or disadvantages. Identify both the advantages and disadvantages you feel you started with.

The Life Cycle

If you are in your teens or early twenties, your thoughts are probably mostly on personal relationships, your education, your job or work opportunities, entertainment, sporting events, and travel. You are probably thinking about possible careers, educational options, work opportunities and prospects, moving out on your own, and deciding who, if anyone, might be that particular person with whom to share a life – or at least go out with over the next while.

Over time, though, and at different stages of life, our priorities and concerns can change. The priorities, concerns, and goals of someone who is 15 will likely be quite different from those of someone who is 65. Therefore, when setting goals, you have to consider the changes that will occur throughout what is called the “life cycle.”

Think About It



On a recent trip to Malawi, the poorest country in Africa, a person commented that people seemed to be so happy there. Why might that be the case?

There are parts of Canada that some say don't have the highest standard of living – but have the highest quality of life. How might that be the case?

How About You?



Think back three years. Have your interests, priorities, and goals changed even over that brief period?

What is the life cycle? Although each of us will experience our own individual life cycle, we often share similarities in our primary concerns at various stages in our life. Importance will vary in our lives with respect to education, training, finding a job, getting promoted, marriage, children, housing, saving, investing, health care, life insurance, retirement planning, travel, and so on.

Taking control of your financial affairs means thinking about the various stages of your own life cycle. You can't think only about what is important today. You also have to think about what will be important to you in the future – at a future stage in your life cycle. Therefore, you will need to set goals for various times in your life.

In addition, recognize that for many people, at some point in the life cycle, personal plans will have to be combined with those of someone else. You may also have to consider the hopes, goals, assets, debts, and so forth of a possible life partner. Therefore, you may find you will face trade-offs down the road when making decisions as a couple or family. It is often harder for two people (or more) to make a decision than one. Families have to make many financial choices together.

How About You?



Are you a planner? Do you think ahead? Or do you live in the “here and now” without much thought for the future?

\$ Tip



Remember if you are a person who lives in the “here and now” with little thought of the future, the future will some day be the “here and now”. If you think only about today, you may find your life in the future is less enjoyable than you had hoped. A good “money rule” is to “pay yourself first” with money you make. That is, set some aside for saving first before doing other things with your money.

How About You?



HOW ABOUT YOU? GOALS AND YOUR LIFE CYCLE

The following is a list of possible goals (including some financial goals) that a person may have in life. Add others that you can think of. Then, pick the ones that are most important to you now.

- | | |
|------------------------------------|---|
| Owning a home | Helping to educate future grandchildren |
| Obtaining a good education | Caring for parents |
| Learning a trade | Having good health, fitness, and medical care |
| Developing an artistic skill | Having a hobby |
| Becoming an athlete | Donating to charity |
| Saving for an enjoyable retirement | Having time to volunteer and help others |
| Travelling | Working part-time rather than full-time |
| Obtaining a good job/career | Joining a club |
| Owning a business | Building a collection |
| Owning a cottage | Developing a specific talent |
| Owning a car | Getting married |
| Having children | Others: _____ |

At different times in your life, you will probably assign a different priority to your different goals. Review the above list and identify those goals that you think will be most important to you five years from now. How, if at all, do you think your goals may change over those years? How about 10 years?

\$ Tip



TIME VALUE OF MONEY

Money that you don't spend today, but save for the future, can increase in value if saved or invested wisely. It can help sometimes to get advice from good and qualified sources. Saving can help you afford, in the future, things you might not be able to afford today – such as paying for education, buying a car, putting a down-payment on a house, or saving for retirement.

Tastes, Preferences, And Lifestyle

Your tastes and preferences will likely affect almost every money decision you make. For example, is it important to you to one day own your own home? If so, does it have to be a house? What about a condominium? An apartment? A townhouse? Where do you want to live – in an urban/downtown area, in the country, or in a small town?

What kind of workplace environment do you want to work in? Do you want to work for yourself? Do you prefer to work with a company, in a factory, or outdoors? Do you want a career that will require many years of education, or do you want to start working as soon as possible?

What is your taste in clothes? Do you like to eat out? Do you want to travel? If so, where? Do you have a costly hobby? Do you like going to concerts or sporting events?

On and on it goes. What are your tastes? What are your preferences? What are your expectations? It's important to have a sense of what your tastes and preferences are since they will affect the decisions you make with the money you have.

A key distinction that is often made is between what you “need” and what you “want.” A need is considered to be something you must have in your life to get by. It includes the basic necessities in life. A want is something that makes life easier, better, more enjoyable – but isn't essential. When making a decision, you will want to consider whether you are dealing with something that you “need” or “want.”

Think About It



**What was your last purchase? Did you need or want what you purchased?
How can needs and wants differ from person to person?
How might your needs and wants differ over time?**

\$ Tip



When it comes to your tastes and preferences, try some other options now and then to see what they are like. If you like some things now that are on the “pricey” side, give some less pricey options a chance – just in case it works out you are as happy with them – or even happier.

How About You?



GOALS AND YOUR LIFE CYCLE

Suppose you have 100 votes with which to indicate your preferences for various types of entertainment. Indicate your preferences for each type of entertainment by allocating a portion of your votes to the types of entertainment you most prefer. The total should equal 100 (for example, 30 votes for concerts, 30 for movies, 20 for magazines, 10 for sporting events, and 10 for books).

Music	Sports events	Concerts
Playing sports	Books	Playing a musical instrument
Computer games	Dancing	Magazines
Shopping	Movies	Eating out
Parties	Camping	Others: _____

If you can, compare how you split up your 100 votes with others. It will help show how people's tastes and preferences are different – and can affect their money decisions.

\$ Tip



An important part of planning is “contingency planning.” That is, to have a plan if things don’t go as planned. Be flexible. Have a backup or alternate option – just in case things don’t work out as you had anticipated – or hoped.

The Economy

Conditions in the economy can affect financial decisions and affairs. The following are just some of the economic factors that can have an important influence:

- the rate of inflation (affecting prices you pay)
- the availability of jobs (affecting your ability to earn money)
- interest rates (affecting the cost of borrowing money or how much you can make on your savings)
- the stock market, bond markets, etc. (affecting the returns that are possible on your investments)
- government programs (affecting benefits you may be able to receive)
- tax policies (affecting how much tax you pay)
- the status and strength of labour unions (affecting your income, benefits, and working conditions)
- what goes on in other countries (affecting jobs, incomes, and opportunities in Canada)
- the exchange rate for the Canadian dollar (affecting the cost of things we buy that are made in other countries)

Many of the money decisions and challenges you face may be influenced by these kinds of economic factors. This can be frustrating since they are often factors that are beyond your control. If you hope to work for a technology company in Waterloo, and that company closes or reduces its operations there, that can throw a wrench into your plans. On the other hand, if the technology company does well, and expands its operations there, that can help improve the chances of getting the job you want. But while you won't be able to affect the company's decision on your own, your life may be affected by their decision.

So economic events, developments, and changes can influence your life – and be beyond your financial control. But, at the same time, the more you can learn about the economy, the more this can help you understand, and prepare for, factors that can affect your financial decisions.

How About You?



Think back over the last five years and identify any ways in which the economy has affected your financial circumstances or those of your family or a family member. Has it affected you or someone else's job, income, housing, car purchase or lease, vacation plans, and so on?

Think About It



Think about the world as it is today and how it would have been when your grandparents or parents were your age. How have things changed? What social factors have changed that might influence financial actions, decision, and goals today versus in their day? In what ways do you think things are better? In what ways do you think things are more difficult?

Social Factors

Changes in our society can affect our living conditions and our tastes, preferences, and goals. As cultural values change, we may find our own values changing.

For example, conditions in the workplace, the nature of work, types of jobs and attitudes toward work, can change. Over recent decades, the number of women in the workforce has increased significantly. In the past, men were often seen as the “breadwinners” and many thought the “woman's place was in the home.” Well, that certainly is not the common attitude these days. This is reflected in the large increase in the number of women working and the greater social acceptance of women being in the labour market.

Social changes that occur with respect to having children and family size, getting married, types of marriages, the level of education seen as “needed,” housing styles and opportunities, the popularity of certain careers, the kinds of new jobs available, and so on can all have a bearing on our financial decisions and plans.

How About You?



How do you deal with change? Do you: resist? Ignore? Lead? Adapt? Accept? React? Respond? Or...?

Political Factors

We live in a society in which governments often play a significant role. Governments are involved in areas such as the following:

- the rate of inflation (affecting prices you pay)
- insurance and banking regulations
- employment insurance programs
- parkland and other recreational facilities
- legislation affecting wages and conditions in the workplace
- transportation and communication
- training programs
- taxation
- health care
- public education
- welfare programs
- interest rates

Think About It



The post-war baby boomer is aging. The “boomers” have influenced society in many ways. How do you think society may change as (a) the “boomers” move into their senior years and (b) a new, and different, generation takes over? The millennials?

Government decisions can affect the prices of goods and services we buy and the taxes we pay; the availability of certain jobs; the quality, cost, and availability of health care and education and training programs; pension plans; housing costs; and much more.

Each of us has the right to vote, and we have a responsibility to cast our votes for those candidates with views and values each of us believes are best. The decisions of those people we elect will affect, to some degree, the conditions in which we live, work, play, spend, invest, raise a family, and retire. Along with our financial responsibilities, we have a responsibility to put in power the best government we think possible. Our decisions as citizens will influence the various actions, policies, and decisions that are taken by the politicians and political parties we elect.

Think About It



Make a list of government products and services that you have used in the past week (e.g., Bus, park, road, sidewalk, school...).

How About You?



Do you take an interest in politics? Many politicians make decisions that affect people’s lives – sometimes quite a bit. But there are many people who don’t take an interest in politics – and many who don’t vote. It is hard to complain when you disagree with what politicians do if you don’t take an interest and vote. How likely are you to vote in elections?



Take Action.
Take Control!



Identify how the major political parties differ in terms of their views and proposed policies related to the following. Decide which political party or parties is most in line with your thinking.

The role of government

Role of business

What government spending priorities are

Role of organized labour

Kinds and levels of taxes

Job creation

The country's or province's, or city's debt and deficit

Youth employment

Health care spending

Education spending

Pension programs

VOTE WHEN YOU CAN!

HELP MAKE SURE ELECTED POLITICIANS REFLECT WHAT YOU THINK IS IMPORTANT.

Technological Change

No one needs to tell you that technological change is occurring at an extremely rapid pace. Such change has many influences on our lives. It can influence the kinds of jobs that are available and the types of skills that are required. Technological change can displace some workers from their jobs while it creates jobs for others. Technological change can lead to Canada, or areas within Canada, becoming more or less productive and more or less successful economically. That can affect jobs and incomes. Technological change can affect the way we live our daily lives. It can affect the way we do banking, keep our records, and do our shopping.

As one example, consider the incredible impact of the computer and, increasingly, hand-held devices and tablets. Most people have ready access to a computer or computer-like device today – often in their pocket or purse. This has dramatic implications

for things such as financial recordkeeping and planning. Many people are involved in online shopping and banking. Check-out lines at supermarkets are shorter due to computerized pricing. In some locations you can scan and bag your own items. Many cars have computers built in to tell you when they are experiencing problems or in need of servicing – or to tell you to fasten your seatbelt – or they can park themselves.

Technology is, however, much more than computers – and it is changing rapidly – and dramatically changing our world. To do the best we can, and to make the best decisions we can, we need to try and keep abreast of technological change as it is affecting our communities, businesses, jobs, and lives – and as it might affect our financial decisions and actions.

*Take Action.
Take Control!*



Even though you may not be a “tekkie,” try and keep up on technology and change. Look for ways that technology can help with your financial decisions and actions. Watch out for possible frauds and scams though. The Internet has increased the efforts of some people to take advantage of you. Never give out personal information when requested by an email.

How About You?



How have changes in technology affected your life over the last few years in terms of decisions and activities related to school, work at home, a job, banking, health care, planning vacations, entertainment, buying things and so on?

Language and Communication Skills

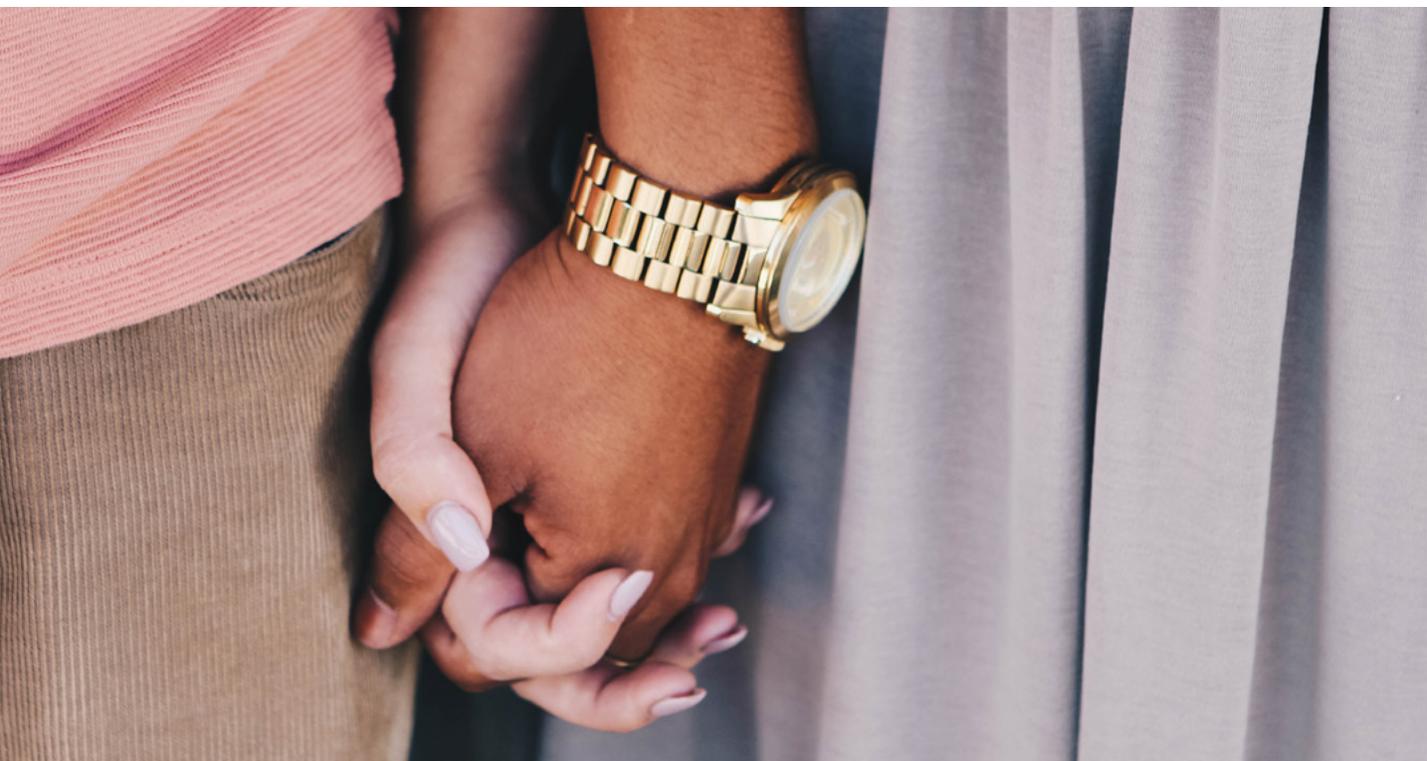
Handling money and financial matters requires a great deal of decision making. Decision making requires gathering information. It also involves communicating with others to get information you need and to make decisions – and set your goals. Many Canadians have some language or communication challenges. For example, their first language may not be English or French, they may have a learning disability, or they may have a lack of education.

We are living, increasingly, in an information age. New opportunities arise. New mistakes can be made. Old ways change. New ways arise. Those who get ahead and succeed are often those who have been able to get new and relevant information and factor it into their decisions. If someone has difficulty acquiring, interpreting, or using new information, he or she can be at a significant disadvantage. Therefore, if you have communication difficulties, try and take steps to improve your skills. If you are not able to get information you need, or ask questions that are important, this can affect your ability to make good decisions.

*Take Action.
Take Control!*



Work on your communication skills. Even if they are pretty good, try and make them better. Good communication skills can help lead to good money decisions and outcomes. You want to be able to get information you need. You want to ask questions, and get good answers, before making money decisions.



Prejudice

It is an unfortunate reality that prejudice tends to exist in every society to some degree. Prejudice can have an effect on an individual's ability to get a job, access opportunities that are available, receive quality service, impact one's level of confidence and income potential, and so on. Prejudice is something that no one should have to face, but, unfortunately, some experience it in their lives and in planning and implementing their financial affairs.

We have now looked at some of the factors, in addition to your values, that can have an influence on your life's decisions and goals. There are other factors that you can probably think of – media, geographic location, various environments (home, school, work). You will have little control over some of these. Some you have complete control over. Try to be aware of how these and other factors can have an impact on you and your financial affairs and try to build a plan for your own success.

Throughout your life, you will face a continuous series of challenges, obstacles, opportunities, and decisions. You will make literally hundreds of thousands, if not millions, of decisions over the course of your life. Many will have nothing to do with money. Many will. And, making effective decisions is a skill – a skill that is very important to handling and planning your financial affairs. Let's turn our attention to this key skill and look at steps one can take to try and make a good decision.

Try to be aware of how these and other factors can have an impact on you and your financial affairs and try to build a plan for your own success.



How About You?



What are the happiest times you can recall in your life? What made those times so enjoyable?

Think About It



Do you know people who struggle to make ends meet? Perhaps this is a challenge in your home. Can you think of factors that contribute to the situation?

*Take Action.
Take Control!*



Do you have an interest in helping others? If so, explore your community for opportunities you may have to make the lives of others better.

Helping Others

If you stop and look around you almost anywhere you live, you will see that we do not live in a world of equality. For various reasons, some Canadians have more money than others.

It is important to note that having more money does not mean one is happier. There are many Canadians who enjoy life and are very happy while not having as much money as others. Many things contribute to a happy life – and money is just one of them.

Differences in income arise for a whole host of reasons. Some people have acquired good education and training and secured a good paying job. Some have taken the entrepreneurial route and created a successful business of their own. Some have a special talent in sports or the arts and have been able to earn a good income from those who appreciate – and are willing to pay for – their talent.

However, there are no set factors that will determine what income one is able to earn. In the same way that there are many reasons why a person may be able to earn a high level of income, there are many reasons why others may not. It might appear that the outcome is not always fair for everyone. Perhaps someone did not have the opportunity to acquire an education or training to be able to secure a well-paying job. Perhaps someone has a disability or is struggling with an addiction. Mental illness can impact a person's ability to secure and sustain employment. And, bad luck and misfortune can also come into play.

How About You?



When it comes to thinking about the needs of others, where would you place yourself on the scale of compassion:



One of the things one can do with money, if one has sufficient money to do so, is to help others in need – those who may require help with food, housing, medical care, education, and so on.

In the same way that nothing in our society sets the level of income a person will earn, nothing states that a person has to be compassionate and think about the needs of others. That is something that each individual person has to decide.

If you want to help others, there are many ways you can do so. Sharing some of your money, through a charity or other means, is one way. You can volunteer your services. You can help as a mentor or tutor. You can assist with mobility and transportation challenges. You may have things you no longer need or use that you could give to others. You may come upon a situation or circumstance where you can take time to help. Helping others does not mean just helping with material things or money. Many lives can be impacted and turned around when others take the time to show they care, listen, talk, or provide comfort to people.

In summary, in building your future, and mapping out your course to a successful life, you will be challenged to make decisions along the way in terms of how you may wish to reach out and help others in need – financially or otherwise – with your time – and with your concern.

\$ Tip



When you are creating a financial plan or budget, you might want to consider allocating some of your money to “Helping Others.”

Module Summary

Say What? Possible New Terms!

1. **Life cycle:** the different general stages of life people commonly go through where circumstances, priorities, and goals change over time.
2. **Tastes and preferences:** our own individual likes and dislikes that can affect what we buy, what we do, what we eat, where we shop, what we wear, and so on.
3. **Inflation:** a rise in the average price level of goods and services in the economy.
4. **Exchange rate:** the value of one country's currency in terms of the currency of another country.
5. **Employment insurance:** a program which governments can use to help provide funds to people who become unemployed – if the person qualifies for the benefit.

Did It Stick? Can You Recall?

1. How can opportunities for a successful life be affected by the circumstances into which one is born – both positively and negatively?
2. What is meant by the “life cycle” and how can it have an impact on goals and financial planning?
3. What are five ways in which the economy can have an impact on a person's goals – and their ability to achieve them?
4. How have changes in technology affected people's actions and decisions when using money?
5. How can good communication and language skills affect a person's chances of achieving financial success – however one might define “success”?

Thinkabout... or Discuss:

- How do you think the “opportunity playing field” can be made more level in Canada?
- What factors do you think have the biggest impact on the tastes and preferences that a person develops in life?
- Do you think peoples' goals in life have changed over the last generation? If so, how and why?
- Do you think people have become too “materialistic” in terms of their goals? If so, what has led to this?
- To what extent do you think prejudice exists in Canada affecting some peoples' chances of achieving their goals.

Tips & Suggestions

The following is often used as a guide to setting goals. Make sure they are “SMART.”

- **Specific:** Try and be as focused as possible in defining your goals.
- **Measurable:** What will you do to measure your success to know if you are achieving your goals?
- **Achievable:** Make sure they are realistic so that you have a reasonable chance at success.
- **Relevant:** Look for goals that fit with your values and what you think is important in life.
- **Time-bound:** Consider the timelines for achieving your goals. Make sure they are realistic.

With any plan, though, revisit it. Make changes as changes occur in your life. And, have a flexible plan. If your plan is too rigid, you may not make changes that you need to in order to succeed.

Tech Talk

On the Internet, you may want to search for the following:

- Life cycle
- Setting goals
- SMART goal setting
- “The Big Picture” – overview of the economy – CFEE
- Avoiding online scams
- Political parties in Canada
- Overcoming prejudice
- Technology and money

DECISION MAKING

Let's Discuss...

\$ Steps for effective decision-making

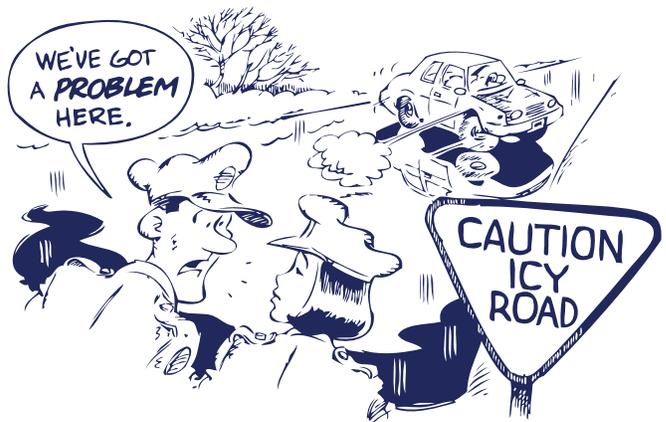
Let's begin our look at decision making with a challenge for you. Consider the following situation.

There is a stretch of highway where ice is forming and causing accidents. A sign was set up last year to warn motorists, but it does not seem to have worked. Accidents are still occurring. Your task is to consider the problem and make a decision offering a possible solution.

How did you define the problem? Is the problem the sign? Does it have to be moved? Does it have to be made bigger? Brighter?

Is the problem the motorists? Is better instruction in winter driving necessary? Does the speed limit have to be reduced? Does the area have to be policed for speeders?

Is the problem the fact that there is ice on the road? Does the road have to be covered? How about a covered bridge? Does the ice have to be removed? Would salt do? Sand? How about heated water pipes under the road?



Is the problem that drivers shouldn't be on that road in the first place in the winter? Should the road be closed? Should traffic be rerouted? Should an alternate road be recommended?

Hopefully this little exercise helps to make an important point. How we define a problem will make a big difference in how we try to fix the problem. Each of the different ways we could define the problem would lead to a different solution. In addition, the expense of the solution will vary greatly depending on how we define the problem. Building a cover over the road is a lot more expensive than trying to keep the road salted. A bigger sign is an inexpensive solution. But the goal is to make a good decision – an effective decision – and an affordable decision. Therefore, when making any decision, it is very important to begin with a clear definition.

Think About It



How do you go about making decisions? Are you aware of any steps or process you use to try and make good decisions?



Is there a problem or decision in your life now that you are trying to deal with? If so, how would you define the problem or challenge that you are facing?

Six Steps for Effective Decision Making

In building this model, we will draw upon a number of things such as your values, goals, tastes and preferences, and so on – so be ready.

STEP #1: Clearly define the problem.

As an example for developing the steps to a good decision, let's define your problem or challenge as: What are you going to do after high school?

[Note: if you have already completed high school, consider "What am I going to do after college, university, or training program?"]

- meet new people
- further your education in general
- further your education in a specific field of interest
- gain work experience
- determine what career options are available/attractive to you
- have fun and enjoy yourself
- begin to establish a career
- develop more personal independence
- develop a specific skill/talent/trade
- be able to begin to earn an income
- improve self-confidence
- associate and join with friends
- consider what's important to parents/guardians

STEP #2: Establish your criteria (what is important to you).

Begin by identifying the factors that are most important to you as you consider what you will do after high school.

Many criteria could be important in making this decision. Which of those listed are most important to you? Are there other criteria that are important to you that aren't listed here?

Pick the 3, 4, or 5 criteria that are most important to you in making this decision.

STEP #3: List your alternatives.

Next, consider your options and possibilities. What could you do next year? Possibilities include: university; college; training; apprenticeship; getting a job; travelling; taking a year off; internship; volunteering; starting a business; and so on.

Pick the 3 or 4 options that are of most interest to you.

You now have a list of criteria – what is important to you in making this decision – and a list of possible options or alternatives to consider. Your task now is to decide which option is best for you.

STEP #4: Evaluate the alternatives based on your criteria.

To do that, put your five most important criteria across the top of a grid similar to that shown below. (Note that the criteria and alternatives shown are for illustration purposes only. Use those that you think are important.) Next, identify the four most attractive options and note each in one of the boxes on the left hand side of the grid. Again, those shown are for illustration purposes only. Use your own. Now it's time for you to do some thinking – and scoring.

	Develop a Skill/Talent	Meet New People	Have Fun	Explore Career Options	Gain Exposure	TOTAL POINTS
1. Work						
2. College						
3. Internship						
4. University						

SAMPLE GRID

Consider your first option. Think about it in terms of the criteria that you have identified – that is, what's important to you? Go along and consider each criterion one at a time.

If there is a really good fit – that is, that option would really fit well in achieving that criterion – give it a +2. If it fits, but just somewhat, give it a +1. If there is no link, positive or negative, give it a 0. If there is somewhat of a bad fit – that is, it is somewhat against what you think is important – give it a -1. If there is a really bad fit, and it would go quite counter to what you think is important, give it a -2.

Complete the grid for each of your options putting a score for each under each criterion.

After you have completed this exercise, add up the total points assigned to each of your options. Now you probably hope your job is done – and your decision is clear. Well, it may be. But that may not be the case. This is a process to help you make a good decision. It doesn't necessarily tell you what your decision should be.

Why is that? Why isn't the option with the highest score the one you should select? The reason is because there is no real way of accurately measuring the intensity of the feelings inside of you – how strongly you really feel about something. What this exercise does is force you to think about each option in relation to what is important to you. The numbers will give you some idea of what seems to be right for you and what isn't. But, when all is said and done, you'll have to look at each option and decide how strongly you feel about it. It may be that the option with the highest point total may drop to number two in terms of what you really want to do. Number three may move to the top. The process helps you to consider options, weigh options, think about things, and so on. It does not make the decision for you. It is up to you to make the decision. And, that brings us to Step #5.

STEP #5: Make a decision.

Once you have been through steps #1 to #4, it is time to make a decision. This is the step that people often want to delay or avoid altogether. It can be the hardest step of all because we often want "to know for sure." We want to be "right" – and make a decision we know is best. But, quite frequently, that certain "right" answer won't be there. You will have to make the decision – and it may be a hard decision. But, if you follow these steps, they should help you to make the best decision you can. But there is one more step.

STEP #6: Review the decision. Learn from it if you can.

When you can, look back later and evaluate your decision. If necessary, and if possible, change the decision based on what you have learned or experienced. Some decisions, of course, you can't change. If you decided to go to university, and you did, and it didn't work out for you, and you were disappointed and wish that you had done something else – well, chalk that up to experience. The decision was made and the action was taken. But you can now factor that decision, and what you learned, into future decisions. But you will have used the available time, money, and other resources to go to university. They are not available now for another choice.

Let's summarize the steps in this six-step decision-making model:

1. Clearly define the problem.
2. Establish your criteria – what's important to you.
3. Identify your alternatives or options.
4. Evaluate your alternatives based on your criteria.
5. Make a decision.
6. Review and evaluate your decision and alter it if you can – or learn from it.

Making good decisions isn't easy. It can often be challenging – with many things to consider.



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But one key factor to think about before making any final decision is “what is your opportunity cost?” This is something that we mentioned earlier – but it is important enough to note again. Your opportunity cost is the next best alternative or option you are giving up in making this decision. What would be the trade-off you would be making – both today and possibly in the future? This is a key part of any important decision.

If, before you make a decision, you pause to consider your opportunity cost and if it seems like an acceptable trade-off to you, then that can help you feel more confident that you are making a good decision.

There is another point we made earlier that is worth repeating here. Research has shown that “metacognition” – thinking about our thinking – prior to making a decision, is a very key step in making a good decision. Even for a brief moment, consider: why am I making this decision; what am I trading off; is it a necessary or needed decision; can I live easily with this decision?

Develop your own key questions to think about before making your important decisions. Then, when it's time, take one minute to ask them of yourself – and answer them.

These, then, are suggestions for making good decisions for you:

- Follow the step-by-step process for important life decisions.
- Always consider your opportunity cost, possible trade-offs, and what you may be giving up (today and in the future) before making decisions.
- Take a moment to think about the thinking behind your decisions. Ask yourself a few key questions that help you to make good decisions. And, then answer them as honestly as you can before making the decision.

Decision-making is an important life skill. Make sure you do what you can to make the best decisions you can. The impact of some decisions can last a lifetime.

Module Summary

Say What? Possible New Terms!

1. **Intensity of feelings:** how strongly you feel about something. This is hard to measure or put a number on. But it will be important in making decisions.
2. **Opportunity cost:** the next best alternative given up, when you make a decision.
3. **Metacognition:** thinking about your thinking – and to pause and take time to think about what you are going to do – and any decision you are about to make.

Did It Stick? Can You Recall?

1. What is the important first step in making a decision?
2. What are the key steps you can take to try and make a good decision?
3. What are the important things to consider in trying to make a good decision?

Thinkabout... or Discuss:

- What are some of the best decisions you think you have made? What helped you to make good decisions?
- What bad or questionable decisions have you made? What factors led to those decisions?
- What factors tend to get in the way of making good decisions – in general and when it comes to money decisions?

Tips & Suggestions

- Don't hesitate to seek out help with your decisions – but be careful and selective about your sources of help.
- Be cautious in using the Internet when getting information to help make decisions. Make sure the information is accurate and from a reliable source.
- Many people seek help and advice from friends and family members when making money decisions. Be cautious of this – especially if they don't have the background, training, or experience that can help.
- When making some money decisions, you can seek advice from trained and qualified professionals. It may cost money to get good advice – but it may be worth it. Some money decisions are quite complex. But, if you do seek advice, make sure the person is trained and qualified.

Tech Talk

On the internet, you may want to search for the following:

- Decision-making
- Making good money decisions
- Making good decisions
- Opportunity cost
- Making good consumer decisions
- Metacognition
- Making good saving decisions
- Finding good financial advice

