

**QUEEN ELIZABETH HIGH  
NOVEMBER 2015**



**ELLEMENTS**  
GROUP

# INTRO

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# WHAT I WISH I KNEW IN HIGH SCHOOL!

- FINANCIAL PLANNING 101
- CASH FLOW PLANNING
- CREDIT / BANKING
- RENTING YOUR FIRST HOME
- BUYING YOUR FIRST HOME
- HOW MONEY WORKS (ECONOMICS 101)
- INVESTING 101
- TAXES 101



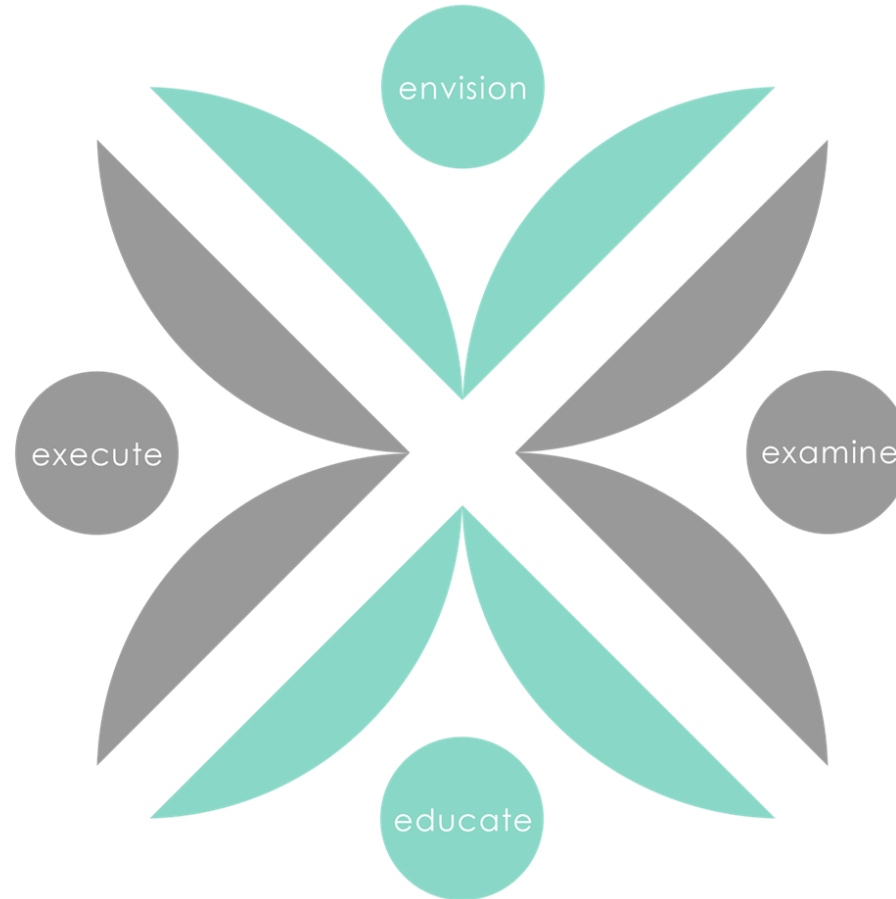
# FINANCIAL PLANNING



# OR YOU END UP LIKE THE BIEBS



# PLANNING PROCESS



# CASH FLOW PLANNING

**Budget**

# CREDIT





# CREDIT

- Credit is a TOOL
- It's okay to have more than one credit card
- Keep all balances below 80% - ideally below 35%
- Make More than your minimum payment each month
- Free Credit Score or Pay \$30 online at Equifax or TransUnion
- Good Credit Score is Above 660, Excellent is Above 760 (300-900)
- Protect your Credit
- Being Self-Employed is more difficult – need to prove 2 years of income

# BANKING

- Fees
- 2 Accounts – One for Fixed Expenses and one for Variable Expenses
- Have accounts at different banks
- Safety Deposit Boxes

# HOW TO FILL OUT A CHEQUE

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY, PROVINCE, POSTAL CODE \_\_\_\_\_ DATE \_\_\_\_\_

PAY TO THE ORDER OF \_\_\_\_\_ \$ \_\_\_\_\_

100 DOLLARS

**TD Canada Trust**  
220 DUNDAS ST.  
LONDON, ONTARIO N6A 4S4

MEMO \_\_\_\_\_

@004 @ 12345 @004 @ 1234 @ 234567 @

Cheque number

\* Transit (Branch) number

Financial Institution number

Designation number

Account number

\* Your branch number is the first 4 digits of this 5 digit sequence.

# RENTING

- Damage Deposit (Typically 1 Months Rent)
- Setting up Utilities (Credit Check or Deposit)
- Read LEASE agreement!
- Contents Insurance
- See PDF Renting an Apartment Checklist

# GETTING A MORTGAGE

- Proof of Income (T4 Slips and Notice of Assessments – 2 Years Min.)
- Proof of Assets
- Good CREDIT
- Employment Verification
- Documentation (Driver's Licence, SIN)

Other Options: Co-Signor

TOTAL DEBT SERVICE RATIO: Must be less than 40% in Canada

Great Resource Website: CMHC (Canada Mortgage & Housing Corporation)

NINJNA (No Income, No Job, No Assets - FIASCO 2007 – LED TO THE GREAT RECESSION 2008 in the US)

# HOW MONEY WORKS



If you don't  
**LEARN**

HOW MONEY WORKS  
You'll spend the  
rest of your life  
**WORKING FOR IT!**



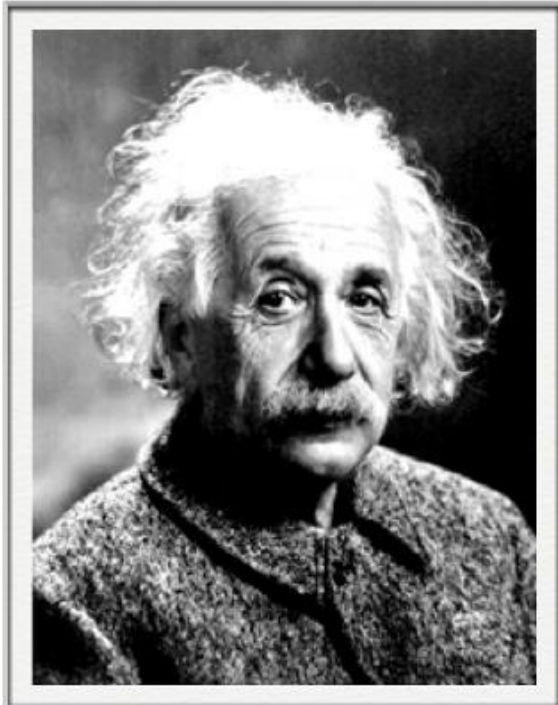
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# RULE OF 72

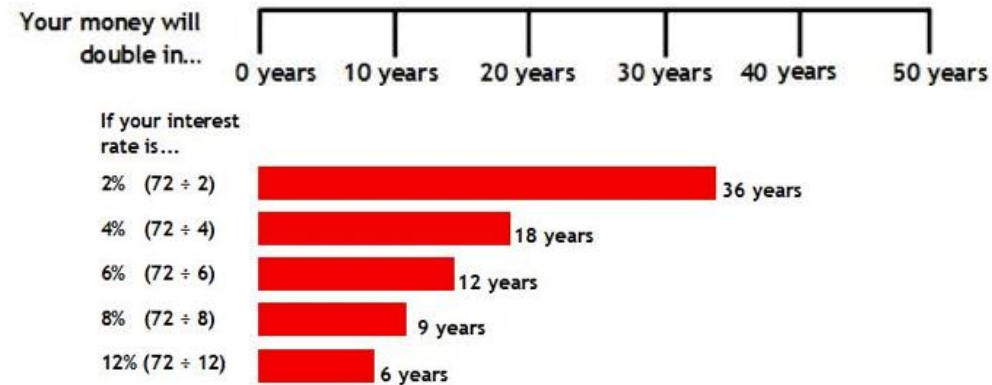


Rule of 72 will provide an estimate on the number of years money will double with respect to the interest rate.

**Formula:**

**$72 / \text{Rate of Interest} = \text{The Number of Years Money Will double}$**

## The **RULE** of **72** in **ACTION**



# 3 TYPES OF BUSINESS STRUCTURES

Sole Proprietor



Partnership



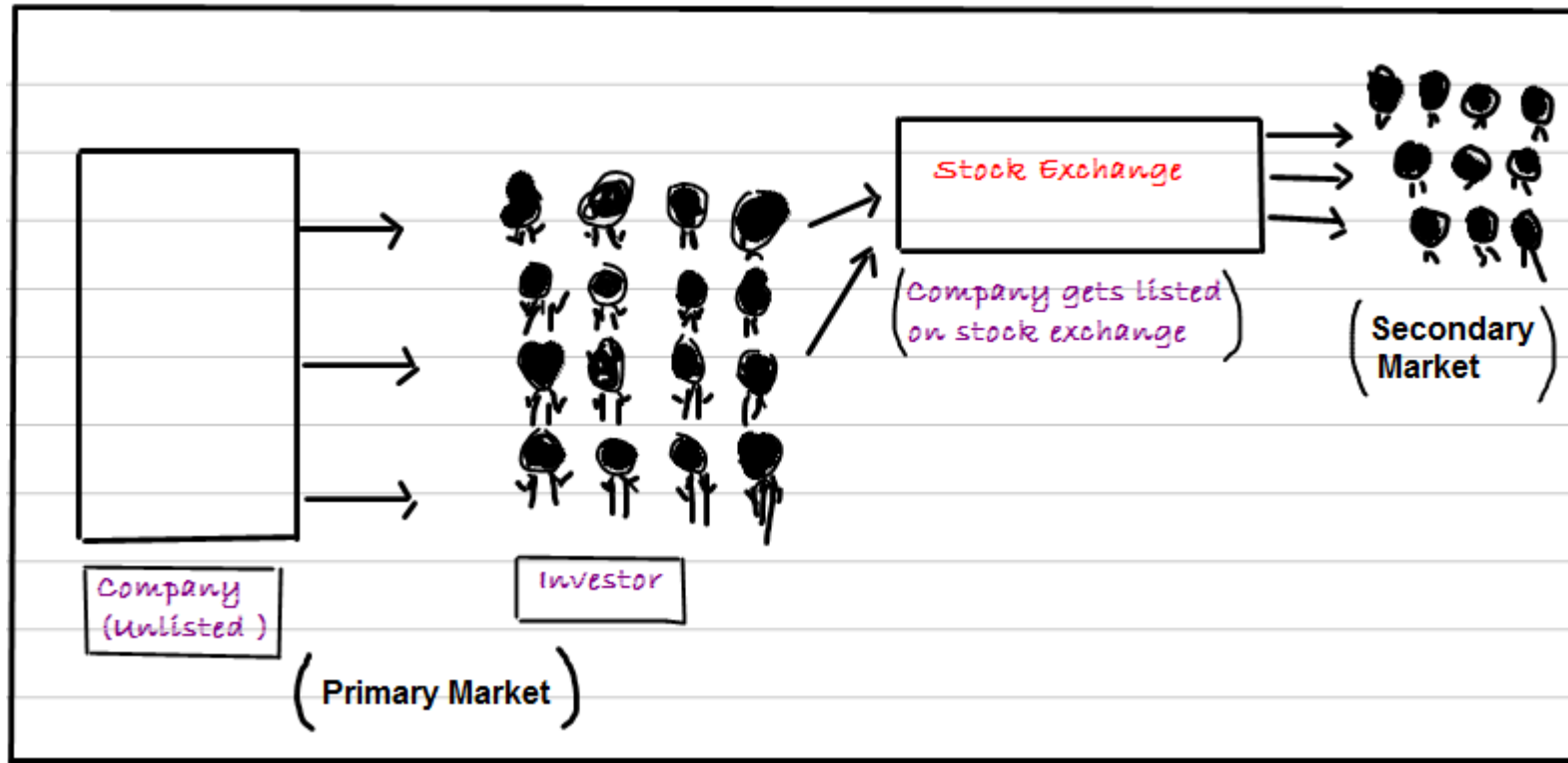
Corporation



Private or Public



# PRIMARY & SECONDARY MARKET



# INVESTING

- STOCKS (EQUITY) – OWNERSHIP IN A COMPANY (SHARES)
- BONDS (LOANS or DEBT) – LENDING A COMPANY MONEY FOR INTEREST
- ANDEX CHART
- INFLATION!!!!
- Canadian Government Goal for Inflation is 2% (between 1% - 3%)
- Interest Rates set by Bank of Canada (GIC QUESTION)
- Economy (Micro vs. Macro) – managing wealth and resources of an country
- Fiscal Policy (government adjusting spending, taxes, deficits to influence economy)
- Monetary Policy (federal reserve or central banks adjust money reserve to influence nation's money supply or economy)
- World Reserve Currency
- Foreign Exchange
- START INVESTING/SAVING YOUNG!

# HOW THE STOCK MARKET WORKS

## SIMPLE STOCK MARKET DIAGRAM

### STOCK EXCHANGES



Prices obtained by Broker



### BROKERS



### BUYERS



### SELLERS

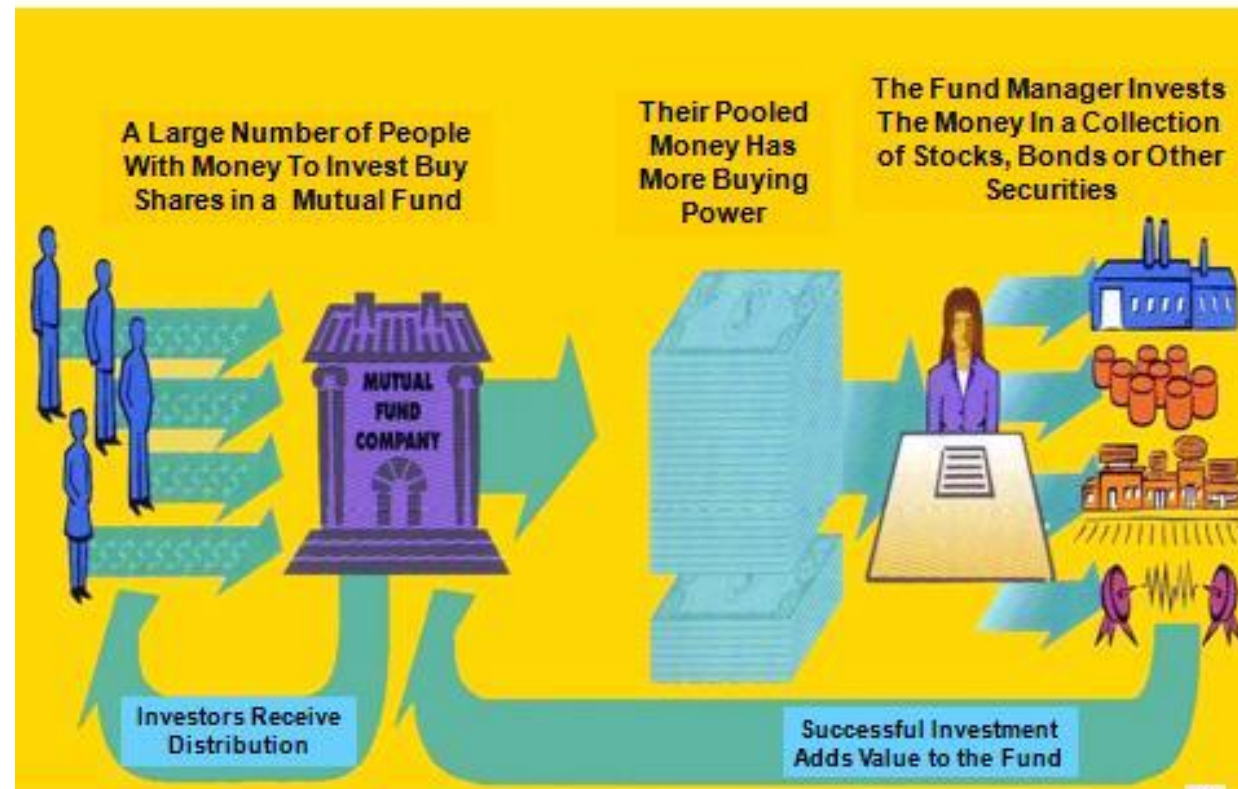
Indexes created to inform people of current stock market performance (Averages)



### INDEX'S

# INVESTING

## HOW MUTUAL FUNDS WORK



8

# DOLLAR COST AVERAGING

Bought 800 Shares/Units



Bought 832.59 Shares / Units



# TAXES

**Gross Income**

**Employer's name - Nom de l'employeur**  
 Test Canada Corporation  
 567 Harry Oaks Blvd  
 Toronto, ON M8Z 5G4

**SIN** → Social insurance number / Numéro d'assurance sociale: 547-078-469

**Employee's name and address - Nom et adresse de l'employé**  
 Compensation Test  
 Benefits  
 1234 South Street  
 Any City, ON N7S 6A8

**T4**  
**STATEMENT OF REMUNERATION PAID**  
**ÉTAT DE LA RÉMUNÉRATION PAYÉE**

Canada Revenue Agency / Agence du revenu du Canada

Year / Année: [ ]

<b>14</b>	Employment income - line 10 / Revenu de l'emploi - ligne 10: <b>5370.98</b>	<b>22</b>	Income tax deducted - line 437 / Impôt sur le revenu versé - ligne 437: <b>470.35</b>
<b>16</b>	Employee's CPP contributions - line 308 / Cotisations de l'employé au RPC - ligne 308: <b>211.53</b>	<b>24</b>	El insurable earnings / Gains assurables d'AE: <b>5050.98</b>
<b>17</b>	Employee's QPP contributions - line 308 / Cotisations de l'employé au RRC - ligne 308: [ ]	<b>26</b>	CPP/QPP pensionable earnings / Gains ouvrant droit à pension - RPC/RRC: <b>5050.98</b>
<b>18</b>	Employee's EI premiums - line 312 / Cotisations de l'employé à l'AE - ligne 312: <b>89.91</b>	<b>44</b>	Union dues - line 212 / Cotisations syndicales - ligne 212: [ ]
<b>20</b>	RPP contributions - line 207 / Cotisations à un RPA - ligne 207: [ ]	<b>46</b>	Charitable donations - line 349 / Donations de bienfaisance - ligne 349: [ ]
<b>32</b>	Pension adjustment - line 206 / Facteur d'équivalence - ligne 206: [ ]	<b>50</b>	RPP or DSP registration number / N° d'agencement d'un RPA ou d'un RPDS: [ ]
<b>55</b>	Employee's PPIP premiums - see verso / Cotisations de l'employé au RPAP - voir au verso: [ ]	<b>56</b>	PPIP insurable earnings / Gains assurables du RPAP: [ ]

**CPP** → Line 16: 211.53

**Income Tax Deducted** → Line 22: 470.35

**Employment Insurance** → Line 18: 89.91

**Gross Income** → Line 14: 5370.98

Other information (see over) / Autres renseignements (voir au verso)	Box - Case	Amount - Montant	Box - Case	Amount - Montant	Box - Case	Amount - Montant
	<b>40</b>	<b>320.00</b>	[ ]	[ ]	[ ]	[ ]
	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

# TAXES

	Canada Revenue Agency / Agence du revenu du Canada	T1 GENERAL 2010
Income Tax and Benefit Return		
Complete all the sections that apply to you in order to benefit from amounts to which you are entitled. <span style="float: right;">BC 8</span>		
Identification		
Attach your personal label here. Correct any wrong information. If you are not attaching a label, print your name and address below.		
First name and initial: _____		
Last name: _____		
Mailing address: Apt No - Street No - Street name: _____		
PO Box: _____	RR: _____	
City: _____	Prov./Terr.: _____	Postal code: _____
Information about your residence		
Enter your province or territory of residence on December 31, 2010: _____		
Enter the province or territory where you currently reside if it is not the same as that shown above for your mailing address: _____		
If you were self-employed in 2010, enter the province or territory of self-employment: _____		
If you became or ceased to be a resident of Canada in 2010, on the date of: _____		
entry: _____	Month: _____	Day: _____
departure: _____	Month: _____	Day: _____
Information about you		
Enter your social insurance number (SIN) if it is not on the label, or if you are not attaching a label: _____		
Year: _____ Month: _____ Day: _____		
Enter your date of birth: _____		
Your language of correspondence: English <input type="checkbox"/> Français <input type="checkbox"/>		
Votre langue de correspondance: _____		
Tick the box that applies to your marital status on December 31, 2010: (see the "Marital status" section of the guide)		
1 <input type="checkbox"/> Married	2 <input type="checkbox"/> Living common-law	3 <input type="checkbox"/> Widowed
4 <input type="checkbox"/> Divorced	5 <input type="checkbox"/> Separated	6 <input type="checkbox"/> Single
Information about your spouse or common-law partner (see the guide for more information)		
Enter his or her SIN if it is not on the label, or if you are not attaching a label: _____		
Enter his or her full name: _____		
Enter his or her net income for 2010 to claim certain credits: _____		
Enter the amount of Universal Child Care Benefit included on line 117 of his or her return: _____		
Enter the amount of Universal Child Care Benefit repayment included on line 213 of his or her return: _____		
Tick this box if he or she was self-employed in 2010: <input type="checkbox"/> 1 <input type="checkbox"/> 2		
Person deceased in 2010		
If this return is for a deceased person, enter the date of death: _____		
Year: _____ Month: _____ Day: _____		
Do not use this area		
Elections Canada: See the Elections Canada page in the tax guide for details or visit <a href="http://www.elections.ca">www.elections.ca</a>		
A) Are you a Canadian citizen? Yes <input type="checkbox"/> 1 No <input type="checkbox"/> 2		
Answer the following question only if you are a Canadian citizen.		
B) As a Canadian citizen, do you authorize the Canada Revenue Agency to give your name, address, date of birth, and citizenship to Elections Canada to update the National Register of Electors? Yes <input type="checkbox"/> 1 No <input type="checkbox"/> 2		
Your authorization is valid until you file your next return. Your information will only be used for purposes permitted under the Canada Elections Act which includes sharing the information with provincial/territorial election agencies, Members of Parliament and registered political parties, as well as candidates at election time.		
Goods and services tax/harmonized sales tax (GST/HST) credit application		
See the guide for details.		
Are you applying for the GST/HST credit (including any related provincial credit)? Yes <input type="checkbox"/> 1 No <input type="checkbox"/> 2		
Do not use this area	172	171

5010-R



# TAXES

Canada Revenue Agency		Agence du revenu du Canada		NOTICE OF ASSESSMENT		T451 E (06)	
Date	Name	Social insurance no.	Tax year	Tax centre		2	
Aug 21, 2006			2005				
Summary						9077213	
Line	Description	\$ Amount					
150	Total income .....	45,945					
	Deductions from total income .....	1,444					
236	Net income .....	44,501					
	Deductions from net income .....	34,290					
260	Taxable income .....	10,211					
350	Total federal non-refundable tax credits .....	2,611					
6150	Total Manitoba non-refundable tax credits .....	1,693					
420	Net federal tax .....	0.00					
421	CPP contributions payable .....	2,840.48					
435	Total payable .....	2,840.48					
437	Total income tax deducted .....	1,193.85					
482	Total credits .....	1,193.85					
	(Total payable minus Total credits) .....	1,646.63					
	Penalties .....	DR 98.80					
	Arrears interest .....	DR 42.74					
	Balance from this assessment .....	DR 1,788.17					
	<b>Balance due .....</b>	<b>DR 1,788.17</b>					
	(Please see the explanation page)						
Lender will require any outstanding amount to be paid prior to advancing mortgage.							
Michel Dorais Commissioner of Revenue							
Date	Name	Social insurance no.	Tax year	Tax centre			
Aug 21, 2006			2005	Winnipeg MB R3C 3M2			
2006 RRSP Deduction Limit Statement							
The back of this notice contains important information. Amounts marked with an asterisk(*) cannot be less than zero.							
RRSP deduction limit for 2005 .....		\$49,916					
Minus: Allowable RRSP contributions deducted in 2005 .....		\$0					
Unused RRSP deduction limit at the end of 2005 .....		\$49,916					
Plus: 18% of 2005 earned income of \$32,191 = (max. \$18,000) .....		\$5,794					
Minus: 2005 pension adjustment .....		\$0					
		\$5,794 *					
Minus: 2006 net past service pension adjustment .....		\$55,710					
Plus: 2006 pension adjustment reversal .....		\$0					
Your RRSP deduction limit for 2006 .....		\$55,710 *(A)					
You have \$0 (B) of unused RRSP contributions available for 2006. If this amount is more than amount (A) above, you may have to pay a tax on the excess contributions.							



# TAXES

IT'S NOT ALWAYS WHAT YOU  
MAKE BUT WHAT YOU KEEP!!!

# NET WORTH

**ASSETS – LIABILITIES = NET WORTH**

# TAKE AWAY

- GET A FINANCIAL PLANNER
- ASK QUESTIONS – LOTS OF QUESTIONS
- DREAM BIG
- START NOW! You've got time on your side!

THANK YOU!

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