

Supporting Youth Financial Literacy Skills

A guide for integrating financial literacy into club programming



CANADA

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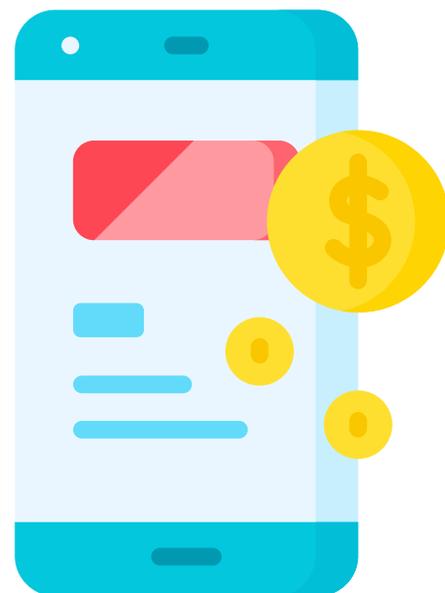
Introduction

Financial literacy skills are essential for all youth. Skill mastery in financial literacy supports youth in understanding important concepts, helping them become responsible, economically secure, independent, and successful in life. From saving and budgeting to understanding debt and investing, these skills give youth the confidence to make educated decisions and choices that can set them on a positive path for life.

Integrating financial literacy into regular club programming is easy to do, and a natural way to build skills. Money and finance are integrated into all areas of our life and can be part of every 4-H project in some way. Meet youth where they are, not where you think they should be. Start with what they know and build from there. Open conversations and discussions that include real, applicable experiences will help remove myths, fear and anxiety around these topics.

Using this Resource

This resource focuses on two broad financial literacy areas: saving and budgeting. These topics were identified by 4-H youth members as areas where they want more support in building skills. In this resource, you'll find ideas for talking about these topics and easy tips to integrate the skills into club projects. This resource provides the basics so don't stop here! Look for other resources available and explore other areas of financial literacy with your club to keep building skills and knowledge on this important topic.



Meet youth where they are, not where you think they should be. Start with what they know and build from there.

Keeping Financial Literacy Safe and Accessible

As a leader, you'll have your own thoughts, opinions, experiences and beliefs about money and financial matters. It's important to recognize these and be aware of your personal perspective on this topic.

Here are some tips to guide you in these discussions with members:

- ✓ Let youth lead the way as they form their own ideas and opinions.
- ✓ Prompt them with questions and consider alternate ideas and perspectives.
- ✓ You are there to guide this process, but you don't need to be an expert. If you don't know the answer to a question or have the information youth are asking for, be honest. Let them know you're unsure.
- ✓ If questions come up that you don't have answers for, do some research together as part of the meeting or look it up after the meeting and share it the next time your club meets.
- ✓ Take time to consider the different barriers youth may encounter in their lives that can impact their comfort level and experience with math and financial literacy topics. Keep discussions safe, open-minded and inclusive for everyone. Some youth will be very comfortable sharing personal and family experiences related to money and finances. Others may not for many reasons. Be ready for different levels of comfort and experience.
- ✓ Remind youth not to disclose personal or financial information (including allowance or pay they may receive/earn, money they receive as gifts, family financial status or income, etc.). They should not share any banking, credit or debit card information, or PINs. Just like youth should protect their personal information, so too should leaders. Keep discussions meaningful, but free from personal information and experiences.
- ✓ Some youth may struggle with math anxiety which can impact financial literacy topics. Avoid putting any youth on the spot. Give space to share what they're feeling and what might make the experience better. Give lots of time to work out answers and provide tools such as calculators to lessen pressure and remove the stress of mental calculations.
- ✓ The idea that math is "too hard" can be difficult to break. Prompt youth to consider different ways they've used math in the last week such as: figuring out how much time is left, measuring when cooking and baking, grouping animals by weight and size, or estimating a cost in a store. Be supportive, encouraging, and empathetic to individual situations.



Saving

Things to Talk About

Start with a good understanding of the difference between needs and wants. Keep in mind everyone's needs and wants can be different and change over time. This is a judgement-free zone!

Example: Need = food to eat vs Want = a new bike. The discussion could include saving for needs or making sure that all needs are taken care of before saving for wants. What are the priorities?



Saving is a regular part of good money management. It's something everyone should be doing. If/when someone has regular income, it's a good idea to put money into savings on a consistent basis. Starting to do this early will help savings grow slowly over time. Saving might look different to everyone and that's okay. You're never too old or young to start!

Saving means looking into the future and thinking about what you want that to look and be like for you. Then, think about what you need to get there and how to make that happen.

Tips for saving:

- If you've borrowed money, pay it back before you start saving.
- Plan or budget your spending and stick to it the best you can.
 - Think carefully about needs vs wants. Budget to cover your needs. The more you can cut back on spending on wants, the more there is to save.
 - Your budget should also include money set aside for unexpected things each month like a broken laptop, a sick animal, pet, or lost cell phone. If you don't use it, you can carry it over to next month or save a bit extra.
- "Pay yourself first."
 - Set aside an amount to save before spending on "want" items. How much you save will depend on your situation and how much you have left. Some experts suggest 10% of your income.
 - If you can't save that much each time you have income, that's okay. Save what is comfortable and makes sense for your situation. Never save so much that your needs aren't met. Life should still be fun and balanced.
- Speak with trusted adults, bank advisors, and do some research on your own to find what type of savings account will work best for your situation and your needs.

Include it in Club Projects

Include conversations and real-world examples that are natural and meaningful, with examples that apply to the youth in your club such as cell phone bills or saving up to buy a vehicle. When youth see and understand how the concept applies to their own life, they are more likely to put them into practice.

Here are just a few ideas you can use to include the concept of saving into club projects.

Community Engagement & Communications



Engage with community experts to learn about different saving options.

Explore the “spend, save, give” approach to money management.

Science & Technology



Investigate how saving can be used to fund scientific innovation on a farm or new farm tech.

Compare interest rates for savings accounts designed for entrepreneurs, the agriculture sector, and the average person.

Environment & Healthy Living



Develop creative ideas to stay healthy and active while maximizing savings.

Design an environmental protection or rehabilitation project that focuses on saving rather than spending.

Sustainable Agriculture & Food Security



Examine how making various decisions about what food to buy can result in savings.

Research and suggest various cost-saving practices for different types of farms to save for the purchase of more land.



Budgeting

Things to Talk About

A budget is a financial plan that keeps track of money coming in, being spent, and saved. It's important to have a good understanding of your needs and wants before budgeting.

Budgeting won't work the same for everyone. People have different incomes and expenses. Make a budget that is right for you and your situation. When things change, change your budget to match.

Budgets are an important part of good money management. They can be helpful when:

- You don't know where money is being spent.
- Someone isn't saving regularly.
- There's a feeling of being overwhelmed by finances.
- You want to set spending limits.
- Help is needed paying debts.
- Someone is planning and/or saving for a big purchase or life event.

Before making a budget, make a list of the short-term and long-term goals you have for your money.

A **short-term goal** might be buying a new computer or a summer road trip.

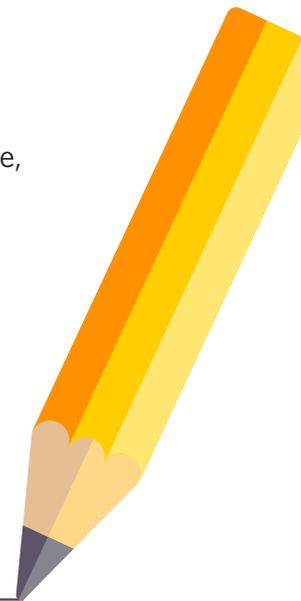
A **long-term goal** might be saving up for post-secondary education.

When creating a budget, consider the different types of expenses you have each month.

Fixed Expenses: these costs are the same each month – such as rent for land or home, insurance, or a loan payment

Variable expenses: these costs vary or change each month – such as food, entertainment, or a credit card bill.

Irregular expenses: these costs don't happen regularly – such as having to cover costs because of fluctuating farm income, repairs to a car or farm machinery.



Sticking to a budget can be hard and take time.

- Keep all your receipts and any bills for a whole month if you're not sure where you're spending your money. Record them in your budget table to get an understanding of your situation.
- Use a simple table, like the example on the next page, to create your budget. Spend time thinking through each item you need to add. Create a realistic budget that will work for you.
- Try limiting spending to what's in your budget as much as possible.
- Update your budget when things change, like getting a raise or a new expense.
- Keep receipts or notes of what you spend money on for the month so you can reconcile your budget at the end of the month. Compare your budget to your actual spending, then make any changes needed to your budget for the next month.

Include it in Club Projects

Here are just a few ideas you can use to include the concept of saving into club projects.

Community Engagement & Communications



Engage with community experts to learn budgeting styles and tips.

Develop a budgeting "how-to" video and share your skills with others.

Practice public speaking skills by explaining how you created and stuck to a budget for a club project.

Science & Technology



Build STEM skills by setting a budget and maintaining financial records for your club.

Examine the budget impact of increasing automation on a farm.



Environment & Healthy Living



Design an activity to support the natural environment in your local community on a fixed budget.

Create a list of budget-friendly choices that focus on promoting health and physical activity.

Sustainable Agriculture & Food Security



Develop a budget for a sustainable agriculture project.

Investigate how budgeting can support the development of new and/or improve food security practices.

Sample Budget

Monthly Budget For: _____

Date: _____

Item	Budget Amount	Actual Amount	Difference	Notes
INCOME				
EXPENSES				
SAVINGS				
TOTALS				
TOTAL INCOME - TOTAL EXPENSES =			\$	

References

Government of Canada (2020) Your Financial Toolkit. Ottawa, Canada.

<https://www.canada.ca/en/financial-consumer-agency/services/financial-toolkit.html>

Government of Canada (2020) Managing Your Money. Ottawa, Canada.

<https://www.canada.ca/en/services/finance/manage.html>

Thank you

Thank you to Agriculture in the Classroom for their input on this resource. aitc-canada.ca/en-ca

Supported by FCC

For over 25 years, FCC has been a committed partner helping 4-H Canada empower young leaders at the grassroots level in communities across the country. Together with FCC, we're delivering world-class positive youth development programming to engage responsible, caring, and contributing youth leaders who effect positive change within their communities and in the world around them.



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