

Financial Literacy Basics



Managing your finances is an important part of being independent. Sound financial management will make the transition from high school to post-secondary or employment easier and will help ensure that you know how much money you have to spend on needs and wants. Consider where you spend your money and what things are important to you. This will look different for everyone but it is important that at the end of the month to make sure that you are not spending more money than you earn.

Needs vs. Wants

Take a few minutes to consider where you currently spend your money. Think about what you purchase and try to determine if these items are needs or wants. Needs are things that are essential for survival (food, shelter, clothing), and wants are things that we might really like to have, but that we could do without (video games, designer clothes, car). Read the chart below about Needs versus Wants below and complete the empty cells with a personal example for each.

Needs are necessities or essentials Needs Example	Wants are desires Wants Example	Personal Need Example	Personal Want Example
Essential for survival	Not essential for survival		
Do not change over time	Change over time		
Non-fulfillment can lead to adverse outcomes	Non-fulfillment may result in mental distress		
All individuals have the same basic needs	Wants may differ according to different individuals		

Creating a Budget

Spend a few minutes thinking about how much money you will have coming in each month. This could be from employment, government assistance, family support, personal savings, or loans, (potentially OSAP or private student loans). Also, think about how much money you will need to spend each month to cover your expenses. Record them below to see if you are able to balance your income with your expenses. Once you have completed the chart, consider if you have enough income each month to cover your expenses. If you do not have enough, how can you generate more income, or how can you reduce your expenses?

Monthly Sources of Income (Column A)	Monthly Expenses (Column B)
Employment:	Rent:
Savings:	Transportation:
Family Support:	Food:
RESP:	Utilities:
Government Assistance (i.e., ODSP):	Entertainment:
Government Student Loans (OSAP):	Eating Out:
Personal Student Loans:	Tuition:
Student Grants/Bursaries:	Books:
Other (Please Specify):	Internet:
Other (Please Specify):	Cellphone:
Other (Please Specify):	Clothing:
	Gifts:
	Donations:
	Savings:

Total Column A	Total Column B
Total Income:	Total Expenses:

What is your total income and what are your total expenses? Consider ways that you could balance the budget by:

- Having a roommate
- Taking public transportation, walking, or riding a bike
- Shopping at thrift stores
- Shopping at discount grocery stores (No Frills, Food Basics, etc.)
- Making meals at home rather than going out
- Making larger meals in advance and freezing them for quick and easy meals later
- Working more hours
- Reducing paid subscriptions (TV streaming services, gaming platforms, etc.)
- Having friends over instead of going out to a restaurant, movies, etc.

You can also use tools like the [Budget Planner](#) to help you create and balance your budget.