

A Parent's Guide

Financial Literacy in Ontario Schools, Grades 4 to 12



Overview

Students in grades 4 to 12 learn about financial literacy so they can understand how to make informed financial decisions. Financial literacy builds students' understanding of personal finances, the local and global economy and the results of their choices as consumers.

Financial literacy means having the knowledge and skills to make responsible economic and financial decisions with confidence. With this foundation, students will be ready to take responsibility for managing their financial well-being and develop an awareness of the world around them by understanding the impact of their personal choices as consumers.

How do students learn about financial literacy?

There are four components of financial literacy education in Ontario:



Personal Finance



Consumer Awareness



Economic understanding



Citizenship

Financial literacy is integrated across many different subjects from grades 4 to 12, such as mathematics, social studies, Canadian and World studies, business studies and many others.

In some subjects, students may be learning specific skills like understanding money, consumer awareness, personal finances, budgeting and money management that will help them develop financial literacy skills. In other subjects, financial literacy connections may be made as students learn about their place in the world, as responsible and compassionate citizens or when they study different economic systems.

Throughout the curriculum, students are developing skills in critical thinking, decision-making and problem solving that can be applied to subjects at school and to real life situations.

Why is financial literacy important for Ontario students?

In today's complex world, young people need a wide range of skills and knowledge to make informed choices. Financial literacy will help students to:

- carefully consider their financial choices. This can apply to everyday decisions, like buying groceries, to bigger investments, like paying for tuition or buying a car;
- understand basic money management;
- develop their own perspectives on financial matters, such as interest rates, mortgage rules or the Canadian or global economy;
- become active, knowledgeable and responsible citizens who are able to participate fully in society and confidently decide where and how to invest their money;
- stay financially stable and healthy throughout life; and
- understand the impact of economic choices on the world in which they live.

Helpful tips for parents

As a parent, you're a role model for your child. You have an important and continuing role to play in your child's education from the younger years through to high school graduation. This is especially true with financial literacy since your child's decisions become more complex and their choices more expensive as they get older and become more responsible.

You can encourage the development of their knowledge and skills by discussing financial matters, providing practice in financial decision-making, and demonstrating active citizenship at home.

Grades 4 to 6

Some of the key topics covered in these grades are the concept of money, government and its responsibilities to citizens, and the idea of "wants" versus "needs". Here are some tips on how you can support your child's learning:

- Talk about the differences between "wants" and "needs" when watching TV commercials. For example, you could talk about "wants" like fashionable clothing or video games vs. "needs" that could include food or a new pair of running shoes to replace the ones that are too small.
- Give your child a weekly or monthly allowance, and decide together what it is intended to cover (e.g. entertainment, snack purchases, etc.) and discuss the benefit of saving a portion of the allowance for bigger purchases. Have on-going conversations with them about how they are managing their allowance.
- Involve your child in decision making when shopping for household items, such as purchasing groceries for their school lunches. Have conversations about the decisions they are making and how they might make better ones. Compare the costs of different items.
- Discuss a current event and the impact it may have on the local or global economy, your family or your community. Ask questions about what it means to your child and how they might get involved.
- Talk about how to make the best buying decisions by researching and comparing different products before purchasing them. Research a buying decision together. This could be a big decision like buying a new computer for the family, or a regular activity, such as comparing costs of groceries in different flyers.



Grades 7 to 8

Some of the key topics covered in these grades are budgeting, the impact of consumer choices on the economy, and the importance of keeping personal information safe and secure, especially online. Here are some tips on how you can support your child's learning:

- Point out the financial implications of decisions you make as a family. For example, you can work together to find out the costs of buying and caring for a pet, or the costs of going to a movie or taking a day trip. Talk about what this means for other future purchases.
- Discuss how decisions about what to buy affect your family, your community, Canada and the world. For example, choices to buy certain locally made products, such as locally grown food, can have a positive impact on the local economy.
- Talk with your child about their role as a citizen of Canada and the world. Ask questions about how they would like to make their community or the world a better place and discuss the importance of taking steps to achieve that vision. For example, if your child is interested in addressing climate change, you could talk with them about how they can reduce their environmental impact, for instance, by buying items with less packaging
- Discuss how to be a responsible consumer by keeping personal information safe, for example, when setting up an online account.
- Explain how to save for a purchase, even if it is not large, so your child can understand how and why it's important to plan a purchase. For example, you can discuss how to save for a new computer, a gift or a trip, by setting aside a certain portion of their allowance each month.

Grades 9 to 12

Some of the key topics covered in these grades are calculating pay, taxes, and interest expenses, how to be a socially responsible and ethical investor, and how to budget for life after high school. Here are some tips on how you can support your child's learning:

- Talk to your teen about ways to make informed and responsible consumer decisions. For example, talk with your child about factors that go into deciding whether to purchase a cell phone, such as price, safety, internet access, and chatting with friends. Ask whether a cell phone satisfies a want or a need.
- Your teenager may start to earn a steady paycheck through part-time work or a summer job. Show them how to save and spend responsibly by helping them to develop a budget. Establish three categories: essential purchases, savings, and discretionary items, i.e. non-essential items that are "wants" rather than "needs". Help your teen identify essential purchases, such as cell phone bills, and set a savings goal with the money left over.
- Talk to your teen about debit and credit cards and how they work. This talk can include interest payments, minimum payment, the time needed to pay off the balance, and perks, such as cash back. Explain how late or unpaid credit card bills can affect their credit score and their ability to purchase a house or car in the future.
- Set up a real or virtual investment through an app or an online program with your teenager and watch it grow together. Talk about the risks of investing and benefits of delayed gratification. You can explain the idea of delayed gratification by using examples like spending money now on a new pair of shoes or a phone vs. saving and investing money later to eventually buy a larger purchase, like a new car or computer. Support your teen as they make decisions about their investment.



- Plan early for post-secondary education with your teen by talking about the costs involved and supports available, like scholarships and the [Ontario Student Assistance Program \(OSAP\)](#). Create a budget and plan together.
- Help your teen plan for a special celebration, such as their graduation, by developing a budget together. Discuss what costs will need to be considered, and decide together how to save for these expenses.

Information about Financial Literacy

Ministry of Education:

- Visit the Ministry of Education’s website at ontario.ca/financialliteracy, for more information about financial literacy learning in Ontario schools.
- [Watch a video](#) that shows the many ways financial literacy is included in Ontario curricula. The video features students, teachers and parents talking about the importance of financial literacy learning in Ontario schools.
- Download the “E-Me” financial literacy and online safety app for Grade 7 and 8 students. This app supports the Ontario curriculum and promotes best practices for safe and responsible online banking. “E-Me” is available for free at the [Apple iTunes Store](#) and the [Google Play Store](#).

Additional websites:

- [Canadian Financial Literacy Database](#) has online resources available for parents and students. This database is run by the [Financial Consumer Agency of Canada](#): a federal government agency that gives consumers information about a wide variety of consumer topics.
- [Consumer Protection Ontario’s website](#) with your child is a great way to show them how to ask the right questions before making important decisions.
- [GetSmarterAboutMoney.ca](#) has information, tools, [quizzes and games](#) to help parents and students make better financial decisions in different areas of life. The website is run by the Ontario Securities Commission.
- The [Ontario Student Assistance Program \(OSAP\) website](#) has helpful information on planning for postsecondary education and training.

