

Financial Literacy Assignment

Being able to manage the money you make in life is extremely important as, if done properly, it should keep your debt levels to a minimum or nonexistent! Its easy to be taken by the messages you're inundated with every day to buy certain products for that perfect image/lifestyle that is pushed on social media and through tv, music, and film. The trick is to NOT.

SO! You are going to budget for your first year after all your schooling is complete.

TASK

You have just finished your post secondary schooling....congratulations! You have just landed your first job (entry level)...now, complete the following:

- 1) Your first year salary (bonuses included IF they are provided)
- 2) Once you have your Gross income, calculate your Net income (what you take home after tax, so you'll have to figure out your tax rate based on the cart provided)
- 3) How much are your monthly student debt payments? Remember to multiply this by 12.
- 4) Find a place to live either in the town/city you work or as close as possible. How much is the monthly rent? Be sure to include paying first and last months rent as its required before you can move in. Are there any security deposits? If so, record them. Remember to multiply your monthly rent fee by 12.
- 5) Transport. How are you getting to work? If you're taking public transit, how much is a monthly pass (multiply that by 12 months)? If you have a car; what are your insurance payments (monthly, so multiply that by 12))? What about gas costs, regularly scheduled maintenance (oil changes for example), parking costs (figure out what you'll spend daily, multiply that by 5 for a 5 day work week, then multiply that by 4 for 4 weeks in a month, and then by 12 for the year? 407 charges if you use that highway, monthly car payments? Remember, gas costs depend on how much driving you do, so if you live in Barrie but commute to Toronto, how far is the drive? So, roughly, how much is that going to be per week in gas? Once you've figured that out, multiply it by 4 (for each week) and then by 12 (for each month).
- 6) Utilities. How much are your monthly heating, hydro, telephone, television, internet expenses?
- 7) Food. Have a walk through the grocery store and take a tally of how much a grocery run would cost you for the week. Multiply that by 4 weeks and then again

by 12 months. Given Covid, you can grocery shop on line and plan for a curbside pick up.

Once you have completed all this, organize your math/budgeting neatly so I can follow your expenses. From your net income, how much will you be left with for clothing, entertainment, and the other “wants” you might have? The best way is to have an itemized list (as we have talked about in class). Do you have any money left over? If not, how do you plan to tackle the short falls? If this is the case, make the changes to your budget in a new itemized list. If you are going to pick up a second job to make ends meet, you’ll have to adjust your tax rate to reflect the additional income.

This assignment will assess your knowledge and understanding, communication, and application skills, be graded out of 30, and marked using the following marking scheme (which also doubles as the success criteria).

Canadian Revenue Agency Tax Rates for 2020

Federal income tax

2020 Federal income tax brackets* 2020 Federal income tax rates

\$48,535 or less	15%
\$48,535 to \$97,069	20.5%
\$97,069 to \$150,473	26%
\$150,473 to \$214,368	29%
More than \$214,368	33%

Example: If your taxable income was \$50,000 in 2020, you would calculate your federal tax as follows:

- Pay 15% on the amount up to \$48,535, or \$7,280.25
- Pay 20.5% on the amount between \$48,535 to \$97,069, or \$300.33
- Total federal tax payable: \$7,580.58.