Financial literacy at every stage of life

It's more important than ever for Canadians to take charge of their financial health but only 10% of respondents to a survey on financial literacy were "very knowledgeable" about basic financial issues.[1] Here are some facts and stats on financial literacy at every stage of life.

Our youngest citizens

Talk to your kids about money and involve them in small transactions. Help them open their first bank account, encourage them to save for something special and teach the difference between needs and wants. A weekly allowance for doing chores can lay the foundation for financial responsibility.

Did you know?

8% of Canadian parents have tried to teach their children financial management skills, but most (60%) believe they have not been very successful[2]

High school and college students

Planning for postsecondary education is the perfect time for teens to become more financially literate. They can review options and weigh the costs, complete financial aid applications and start to save for the future. If student loans are unavoidable, help your teens grasp the consequences of borrowing money at a young age.

Did you know?

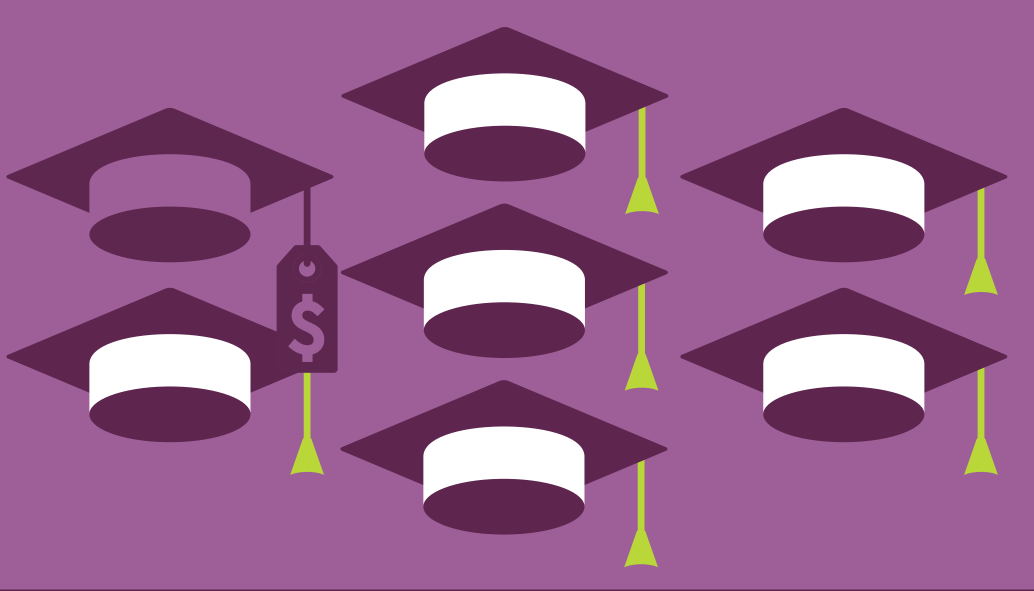
84% of Ontario parents feel that financial literacy should be taught in school and only 40% feel their teens are prepared to handle their own finances.[3]

Millennials and Generation Y

Many in this group are saddled with student debt but establishing and honoring loan payments will teach a lot about financial literacy. When they get their first real job, they need to understand the value of spending less than they earn, the need for an emergency fund and the advantages of starting to save now.

Did you know?

The average Canadian student debt load is now $27,000[4] and 14% of Canadians with student loans have defaulted within 3 years of leaving school.[5]



Parents of young children

Becoming a parent is often a crash course in budgeting because you learn to sacrifice your own desires for education savings plans and childcare. While many parents go into 'survival mode' during this time, you can protect your loved ones by setting aside an emergency fund, buying life insurance and creating a will.

Did you know?

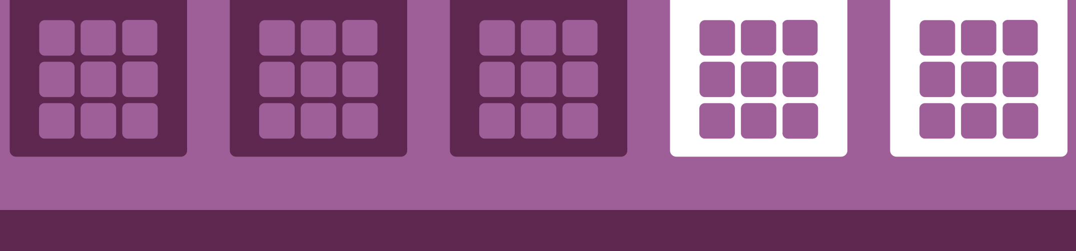
92% of Canadians said they would need to rely on some form of debt to raise $2,000 for an emergency[6]

Feathering your empty nest

When the last child leaves home, it's time to review your overall financial plan and revisit retirement goals. Extra money from reduced grocery bills, etc. should be used to pay off debts or enhance retirement savings. Complete a retirement needs calculation to determine when you want to retire, how much money you need and what changes you can make now to meet your goals.

Did you know?

30% of Canadians are not planning ahead for retirement[7]



Your sunset years

With longer life expectancy and fewer pension plans, three quarters of working Canadians said their savings were at least 25% less of what they expect to need in retirement.[8] To stay on track, consider an annuity, which can provide monthly payments. If you are able to work on a part-time or freelance basis, take advantage of it. Resist the urge to bail out adult children who are in financial trouble. They can recover from a financial crisis; you may not.

Did you know?

Almost a third of Canadians feel they will not be able to retire at age 65[9] and 21% of working Canadians say they'll need to delay their retirement by 4 years or more[10]

1 Canadian Financial Literacy Centre
2 The CICA's Canadian Finance Study, 2010
3 Investor Education Group study, 2013
4 Federation of Canadian students
5 CIBC Centre for Human Capital and Productivity at Western University
6 Hoyes, Michalos: Harris Decima poll on personal bankruptcy, 2013
7 Source: Statistics Canada - Canadian Financial Capability Survey; 2009
8 The Canadian Payroll Association: National Payroll Week Research Survey, September 2015
9 The CICA's Canadian Finance Study, 2010
10 The Canadian Payroll Association: National Payroll Week Research Survey, September 2015